

# FURSYS Sustainability Report 2023

FURSYS Sustainability Report 2023



# About this Report

You can find this report on FURSYS's official website.  
If you have any further inquiries or feedback about the report,  
please contact us.

|                  |   |
|------------------|---|
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The report is published in an interactive PDF format,  
including Go-To links to related pages.

## Report Overview

This is the first sustainability report published to facilitate more transparent communication with diverse stakeholders. The report includes the company's strategies for sustainability and financial and non-financial performance.

## Reporting Principles and Standards

This report is aligned with the Global Reporting Initiative (GRI) Standards 2021 and also reflects the indicators from the Sustainability Accounting Standards Board (SASB) to reflect material issues in the industry.

## Reporting Period and Scope

The report covers performance related to the company's financial and non-financial related activities carried out between January 1, 2023, and December 31, 2023. Where necessary, the data in the first half of 2024 is also included depending on the timelines and significance of the information. The scope of this report includes our headquarters (located in Seoul) and production facilities (located in Anseong and Chungju), etc., and environment-related data is only limited to production facilities.

## Third-Party Assurance

The data in this report has been assured by Han Consulting Group, an independent, objective verifier, to ensure its objectivity, fairness, and reliability based on AA1000AP(2018). The results can be found on pages 79–80.

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# CEO MESSAGE



Dear valued stakeholders,

Marking 2024 as the first year of ESG management, FURSYS will establish an ESG management system and pursue sustainable growth with a focus on the environment, society, and governance.

박광호

CEO **Gwangho Park**

배상돈

CEO **Sangdon Bae**

Dear valued stakeholders

Since the establishment of FURSYS in 1983, we've grown to become a representative Korean furniture company for the past 40 years as a result of consistent support and love from our stakeholders. I'd like to express deep gratitude to all of you.

FURSYS intends to leap forward to become a company that creates spatial value and grants customer experiences by staying sensitive toward office market trends and changes in the global business environment. In this regard, marking 2024 as the first year of ESG management, we present the following practical visions to establish an ESG management system and fulfill corporate social responsibilities and obligations by strengthening our business activities.



**First, we will systematically renovate our manufacturing process by considering the impact of a product's overall life cycle on the environment and solidify the ground to become an eco-friendly company.**

Starting with the acquisition of eco-labels for all products in 2005, we applied E0-grade materials to furniture manufacturing for the first time in Korea in the following year. And now, we have all products certified as GREENGUARD by UL, the best-known product safety and certification organization globally, allowing us to lead green management across furniture industries. Also, to contribute to achieving carbon neutrality and mitigating GHG emitted by climate change, solar power generation facilities were introduced and are in operation at Chungju Plant. Going forward, we want to widely use such facilities at both domestic and foreign business sites and drive a paradigm for green manufacturing processes with the utilization of renewable energy in production.

**Second, we will build a system where new customer value is created by proactively reflecting customers' needs, and eventually become the leading brand in the office environment, going beyond a brand that customers are just satisfied with.**

Since April 2024, FURSYS has secured a network where we can listen to customers' feedback through close engagement after introducing CONNECT PLUS, an HQ-led sales system. We plan to keep securing a potential customer base and creating customer value by reflecting identified needs in the phase of planning products and services.

**Third, we will grow into a right, good company based on healthy and transparent management.**

FURSYS will enhance the independence and expertise of the board of directors (BOD) so that our BOD can function as the highest decision-making body to perform practical supervision of business management. We're currently planning and introducing methods on how to make BOD operations more advanced by appointing an independent director to the chairman of the board, position previously held by the CEO, and holding the board meeting quarterly to discuss major business agenda.



Also, the company plans to place different types of committees under the BOD, such as the Audit Committee and ESG Committee, etc. to pursue sustainable management more effectively. We're also committed to protecting the rights of shareholders and promoting corporate value by establishing exemplary governance through advances in the operations of the BOD.

Going forward, as a representative brand in the office environment, FURSYS will direct its employees' capabilities to provide "the best workable environment" to customers. We will make the utmost efforts to become a sustainable company that can serve as a route connecting good people, good companies, and good society from a happy office environment, eventually contributing to the happiness of customers and society.

Thank you.

# INTRODUCTION

# COMPANY OVERVIEW

## FURSYS Creates Spatial Value

Founded in March 1983, FURSYS has always pursued healthy development in the furniture manufacturing ecosystem by providing products and services connecting people and space and contributing to enhancing the quality of life for people from diverse living environments.

### Company Overview

(As of the end of December 2023)

|                       |  |
|-----------------------|--|
| Company name          | FURSYS   |
| CEO                   | Gwangho Park, Sangdon Bae                          |
| Date of establishment | March 11, 1983                                     |
| No. of employees      | 231  |
| Key business          | Office furniture manufacturing                     |
| Headquarters location | 311, Ogeum-ro, Songpa-gu, Seoul, Republic of Korea |



### Key Business Performance

(As of the end of December 2023, consolidated financial statement)

#### Total Asset

597.6 KRW billion



#### Net Income

66.9 KRW billion



#### Total Capital

530.6 KRW billion



#### Operating Income

35.2 KRW billion



#### Sales

362.9 KRW billion



#### Credit Rating

(As of April 2023)

#### NICE appraisal

A+



#### Zero debt firm: Business confidence

1st



# COMPANY OVERVIEW

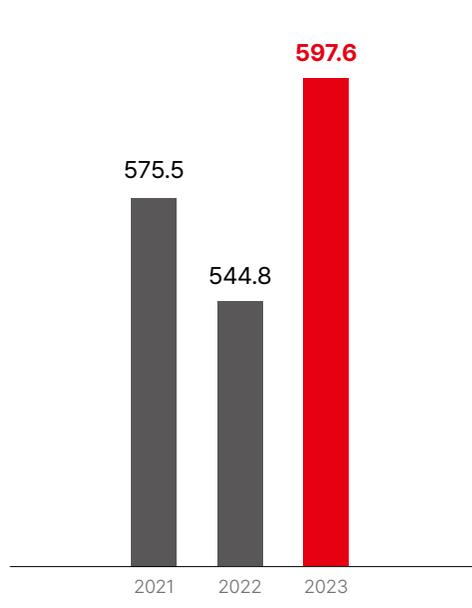
## Condensed Financial Statement

### Total Asset

(unit: KRW billion)



597.6 KRW billion

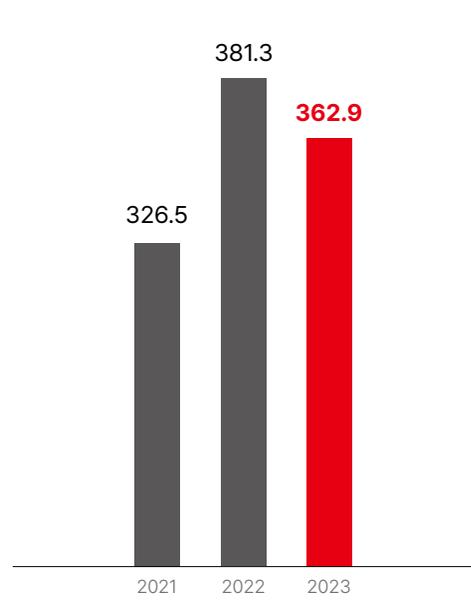


### Sales

(unit: KRW billion)



362.9 KRW billion

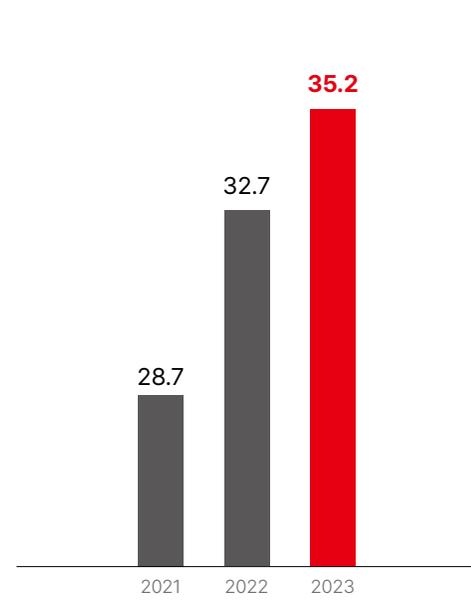


### Operating Income

(unit: KRW billion)



35.2 KRW billion

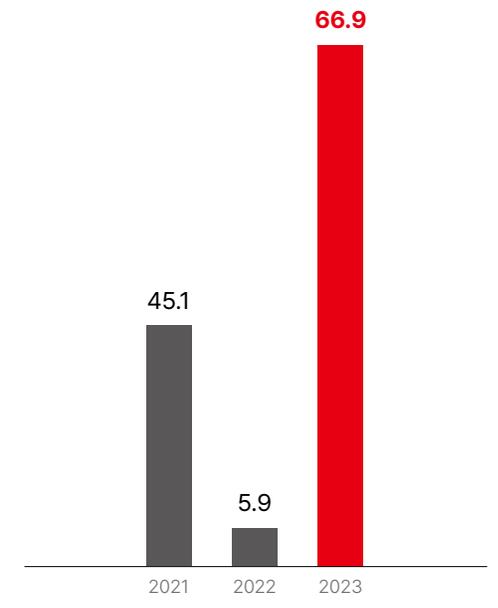


### Net Income

(unit: KRW billion)



66.9 KRW billion



# COMPANY OVERVIEW

## Founding Vision

To enable employees to realize their dreams  
 To provide sustainable value to customers and shareholders  
 To serve a responsibility as a member of society

**“Being a right and good company.”**

## Mission

Our mission is to enhance people's life quality from diverse living environments by providing products and services that connect people and space and to contribute to the development of relevant industries as a specialized company, pursuing to become the world's top-tier company.

### The company is a stable living foundation and a place for self-realization for all employees



A good office environment is a place where individuals can fully unveil their potential and be rewarded based on their performance, enhancing the quality of life. We want to become a good and right company to support growth not just for the company but also for individuals at work.

### We provide sustainable value to customers and shareholders



Providing sustainable value means granting the best happiness to customers through the best products and services, and sharing profits created based on honest business activities, eventually ensuring a long-term profit. To make this possible, we direct our whole capabilities.

### As a member of society, we fulfill its responsibility and obligation



FURSYS pursues desirable coexistence with society and valuable prosperity by promoting sound and transparent business activities including compliance with institutional and ethical norms to contribute not just to the development of the company itself or relevant industry but also to local community, nation, and humanity in the end.

## Core Value

### People



Pursuing to make all employees best and mutual growth for individuals and company

### Product



Providing desirable and high-quality products

### Coexistence



Recognizing agencies and suppliers as our partner coexisting together to realize our value

### Work



Internalizing business rationalization characterized by simplicity, standardization, and specialization at a company-wide level

### Ethics



Faithfully complying with institutional and ethical norms with the belief of “the right way is the fastest way”

### Finance



Creating profits out of business and developing business based on sound governance

# HISTORY

Our ambition and passion for furniture make us the best furniture manufacturing company.



## Mar. 1983

Foundation of FURSYS



## 1980 ~ 2000

- Sep. 1986** Release a series of "Euro Tech", the first modularized office furniture in Korea
- Nov. 1988** Exceed KRW 1 million of exports for the first time in the industry
- Dec. 1989** Establish the industry's first furniture design lab
- Nov. 1990** Designated as the No. 1 outstanding enterprise out of 3000 domestic companies, Award Citation of Prime Minister at the Day of Trade
- Aug. 1994** Rated A1 in enterprise credit evaluation
- Nov. 1994** Win the "Export Top" award for KRW 10 million
- Apr. 1998** Win Enterprise with Economic Justice held by CCEJ



## 2001 ~ 2009

- Mar. 2001** Supply furniture and appliances to Incheon International Airport
- Nov. 2001** Win the Prime Minister's Award from Korea Design Award
- Mar. 2004** Supply furniture and appliances to KTX
- May. 2004** Obtain ISO 14001
- May. 2005** Win Silver Tower of Order of Industrial Service Merit at the 32nd Commerce Day
- Jun. 2005** Obtaining Eco label for all FURSYS products
- Nov. 2007** Win the "Export Top" of KRW 20 million at the Day of Trade and Grand Prize of Korean CEO
- Jun. 2008** Win Grand Prize of the 5th Environmental Management
- Jul. 2008** Designate as the No. 1 company in Korea AS Satisfaction Index and in Product Quality Index
- Aug. 2008** Establish an office building of HQ
- Sep. 2009** Win IDEA Prize from IDSA



## 2010 ~ 2014

- Jan. 2010** Release a series of LF1, a laboratory furniture line
- Jun. 2010** Win Minister prize in Korea Green Management
- Jul. 2010** Designated as No. 1 Green-Biz
- Oct. 2010** Win President's Citation for growing green industry and contributing to low-carbon green growth
- Mar. 2012** FURSYS Mokhoon Foundation, signing an agreement for sponsoring SNU Children's Hospital
- Apr. 2012** Sponsor the 2012 Seoul Nuclear Security Summit
- Jun. 2012** Business cooperation with Uchida yoko
- Aug. 2012** Obtain GREENGUARD for all products
- Dec. 2012** Make a contract for design and technology transfer with Trendway Corp.



## 2015 ~ 2019

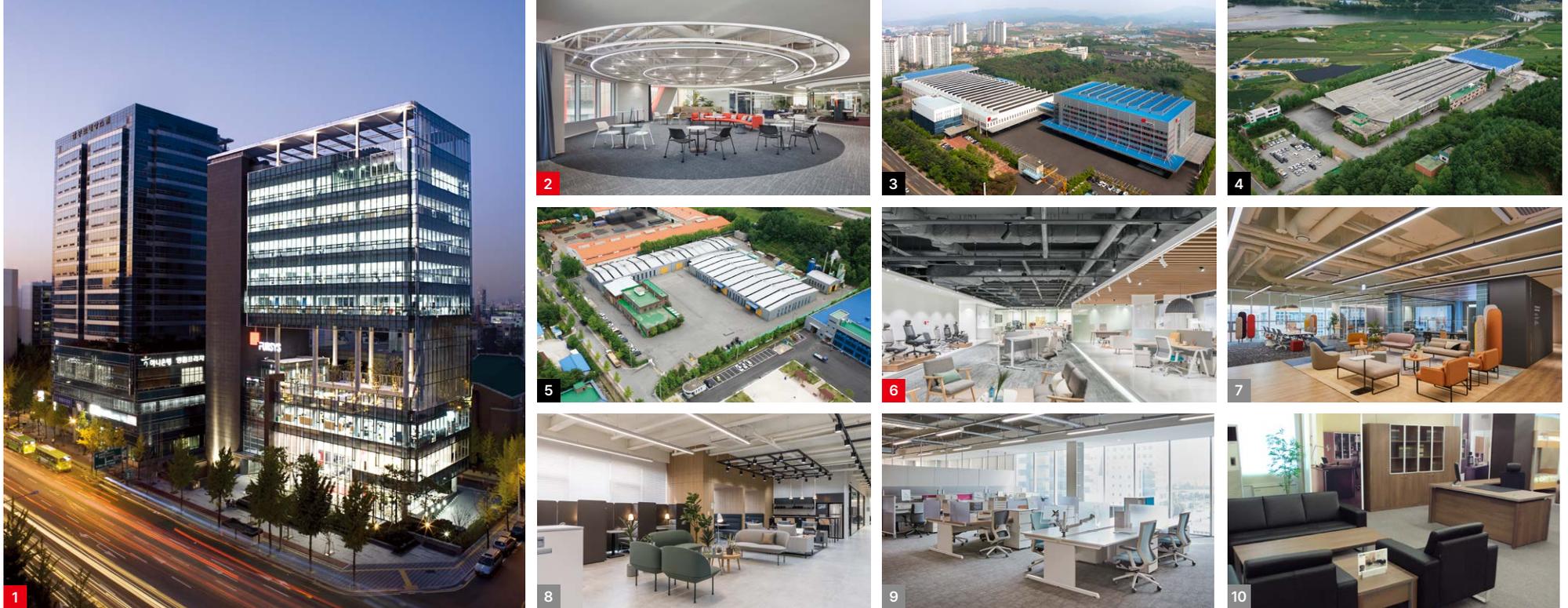
- Apr. 2015** Win Gold Prize and Silver Prize at ergonomic design award
- Nov. 2015** Support a renovation project for Maeheon Yun Bong-Gil Memorial Museum
- Mar. 2016** Win Silver Tower of Order of Industrial Service Merit at the 43rd Commerce Day
- Jun. 2016** Designated as Top 300 World Class held by Ministry of Trade, Industry and Energy
- May. 2017** "enable & enLite" series, Achieve grand slam from the world's three major wards  
Open FURSYS Gwanghwamun Center, a new "Performing Office"
- Jul. 2017** Campaign a brand "Office creates a culture" and release the relevant book
- Jun. 2018** Open "STUDIO ONE", a FURSYS integrated design lab



## 2020 ~ Present

- Oct. 2020** Complete the renovation of HQ office environment of FURSYS
- Dec. 2020** Win Minister Prize of the Ministry of Trade, Industry and Energy in mutual cooperation at the 25th Korea Distribution Award
- Mar. 2021** Join No. 100 Sharing Enterprise from Community Chest of Korea
- Sep. 2022** Donate various furniture to "Purme Social Farm", a smart farm to help the youth with developmental disability be independent  
"WEYARD", "SYSTEM BOOTH" series, Achieve grand slam from the world's three major awards"
- Feb. 2023** Publish "2022 Korean office Trend Report"
- Mar. 2023** Open "FURSYS Community Office in Yeouido", an experience work lounge
- Sep. 2023** "TIKA" series, Win IF Design Award and IDEA
- Nov. 2023** Run "Win-Win Fund" for mutual growth with delivery network
- Mar. 2024** Publish "2024 Office Trend Report"

# BUSINESS SITE



- 1 Seoul HQ** 311, Ogeum-ro, Songpa-gu, Seoul FURSYS Building
- 2 FURSYS Community Office** 25F Parc1 tower, 108, Yeouido-daero, Yeongdeungpo-gu, Seoul
- 3 Anseong Plant** 4279 Seodong-daero, Gongdo-eup, Anseong-si, Gyeonggi-do
- 4 Chungju Plant 1** 46, Gageumnonggong-gil, Jungangtap-myeon, Chungju-si, Chungcheongbuk-do
- 5 Chungju Plant 2** 18, Gageumnonggong-gil, Jungangtap-myeon, Chungju-si, Chungcheongbuk-do

- 6 Seoul HQ Showroom** B2F, 8F, Garak Building, 310, Ogeum-ro, Songpa-gu, Seoul
- 7 Daejeon Center and Showroom** 32, Daedeok-daero 168beon-gil, Seo-gu, Daejeon
- 8 Daegu Center and Showroom** 3F, 126, Yutongdanji-ro, Buk-gu, Daegu
- 9 Gwangju Center and Showroom** 956, Mujin-daero, Seo-gu, Gwangju
- 10 Busan Center and Showroom** 20F, Busan Office Building of National Pension Corporation, 1000, Jungang-daero, Yeonje-gu, Busan

# GLOBAL NETWORK

FURSYS has expanded its business network to strengthen global competitiveness, and as of the first half of 2024, we're working together with 93 dealers from 60 countries around the world.



# BUSINESS OVERVIEW

The name of FURSYS is a combined word of FURNITURE and SYSTEM, representing the identity of our brand, which pursues "developing an office environment where anyone can enjoy working."

An office plays a pivotal role in our life as a place to connect people to people and people to work. An office furniture manufacturing specialist, FURSYS wants to realize the "Office, we love" to make workers happy. We're currently leading the office trend in Korea, backed by our insightful research in office environment and development of advanced products. For the first time in Korea, we established a nationally certified furniture lab, proving that we make the utmost effort to provide the best office "exceeding Users' expectations" based on the application of unique solutions made out of continuous R&D and investment. An office with the best way of working and the best culture, FURSYS is there.



## Mid-to-Long-Term Business Goal and Strategy

FURSYS has set its mid-to-long-term vision to grow into a company providing a total service for office environments. Our vision is to become a "company trying to provide better office experiences to its employees through advanced products and good service will be the preferred choice for customers." To realize such vision, we've set and pursued strategic goals. The company has built our brand identity prioritizing customers by providing products and services with unique design based on customer-oriented corporate culture.

### Vision

To be a company providing better office experiences to its employees through advanced products and good service will be the easiest choice for customers

### Goal



#### Customer-focused

Being a customer-oriented organization and shaping a customer relationship



#### Attractive product & brand

Being an attractive brand which provides desirable products for customers



#### Outstanding buying experience

Providing the best service on a customer's way to purchase FURSYS

### Strategy

- Building a customer-oriented corporate culture
- Customer relationship: providing necessary services based on better understanding about customers

- Revitalizing itself as a customer-oriented brand
- Establishing and executing product strategies as an attractive brand to workers

- Settle down a reliable consignment sale system
- Proposing unique product and service design

## FURSYS Business Division

FURSYS is a specialized office furniture manufacturing company in Korea, keeping its position as the leading company in the industry. We have created office environments of major Korean companies and contributed to the growth of industry and economy based on a sustainable and future-oriented corporate value and business philosophy. Also, we're growing into an integrated office solution company based on office environment consulting aimed at creating the optimal office environment, beyond simply providing a service of producing and supplying furniture. Our company directs its capacities into creating a "Place for People" by conducting multi-faceted research on work patterns and the office environment of our employees. Accounting for over 40% share of the Korean office furniture market, FURSYS has exported its products to more than 70 countries around the world as an indigenous brand. On top of that, as the first Korean company to receive "design royalties" from advanced countries, we've played a critical role in raising the statute of Korea, especially in the field of office furniture. FURSYS defines furniture as a critical ingredient in weaving the fabric of corporate culture and raising the value of the environment, not a simple appliance to fill a place. In 2023, "FURSYS Community Office", an experience work lounge, opened in Parc1 Tower in Yeouido, presenting an opportunity for customers to directly experience a change in the office environment. Also, customers are given opportunities to see a new way of working and office life trends variously through the book 『office environment Creates a Culture』, covering know-how of creating an office environment, the magazine 『Office we love』, and 『Office Trend Report』, etc.



## Spatial Business Division

FURSYS Spatial Business Division was launched in 2021 to provide an office interior service, centering around office environment consulting, design, and construction solutions. This division holds an important value of creating an office environment that reflects a company's characteristics, culture, and way of working, changing a work experience positively, and eventually promoting a company's growth. Also, known as a "challenging market", the interior market is infamous for uncertainty and unsystematic risks. In that sense, this division has a goal of improving such inherent risks and creating a systematized customer experience. To that end, a system to calculate estimated construction cost swiftly and transparently is put in place by utilizing exclusive office environment data. And BIM (Building Information Modeling) system is introduced to do work from building to maintenance effectively and systematically. We have led many projects of major companies including KIA Motors, Hyundai Transys, Hyundai Wia, GS Caltex, Hwaseung Corporation, LG Innotek, etc., thriving every year. The Spatial Division studies various topics related to the office environment as well as executing a project of building real offices. During this process, we've accumulated quality knowledge on the topic of "Space" by pursuing academic and industrial collaborations, etc., put the cumulative knowledge into various contents like books, seminars, reports, etc., and shared with society. We, FURSYS, fulfill our social responsibility by providing knowledge and information about the office environment with the office furniture industry and society, making efforts to create better value.



## Manufacturing Division

FURSYS concentrates on securing technology and building infrastructures while keeping its proprietary principle of producing all products. We've produced products competitive enough in the market by introducing up-to-date automation facilities and complementing process technologies. To make it possible, we've focused on making the Plant specialized by item through diversification of processes and technology depending on materials including metal, wood, fabric, etc. Anseong Plant is specialized in producing partitions and iron furniture. The automation facilities appropriate for the production allow high-quality products to be manufactured. This Plant is environmentally friendly, built based on special interest and investment in the environment. Chungju Plant is responsible for manufacturing wood laminate and painted furniture. Excellent wooden furniture is being produced through Korea's best wood processing technologies with customers' feedback reflected. From the early stage of development, all FURSYS products go through thorough quality tests including an adhesion test at 135 °C and a 50,000 times endurance test at 20 kg weight. In 1998, we joined the Business and Institutional Furniture Manufacturer's Association (BIFMA), allowing us to be equipped with a certified testing site at a level required by BIFMA in the production facilities. In 2007, additionally, we obtained a certificate of KOLAS from the Korean Agency for Technology and Standards of the Ministry of Commerce, Industry and Energy.



# TOTAL SOLUTION

The office environment consulting provided by FURSYS, a No. 1 brand in office furniture, offers targeted solutions necessary for customers from an optimal space configuration strategy to the arrangement of office furniture. Additionally, FURSYS supports company move and building overseas offices through cooperation with the global network, presenting the best total solutions of office environment to customers.

**Interior**  
Office interior service



+

**Furniture**  
Installation of furniture and A/S



+

**Director**  
Company move service  
(movement of office and business site)



+

**Overseas Expansion**  
Furniture purchasing solution for companies entering overseas market



## Office Environment Consulting



FURSYS office environment consulting aims to create an "environment good to work" by reflecting the characteristics of customers' vision. The company utilizes an office spatial database collected from analysis of the floor plans of more than 1,200 Korean companies to present a good office environment standard. Based on it, a reasonable solution is provided to enhance the satisfaction of a customer's office experience. Also, a phased action process consulting is offered to improve the office environment, supporting the whole process of building customers' offices. Even after completion, we do our best to help customers experience a better office environment through maintenance and reflection of feedback.

## Company Move



FURSYS offers a specialized company move service to take up the vacuum caused by the move. A systematic move process is established based on analysis of customers' office environment, which is directly managed by FURSYS. We provide diverse company move services including layout service to effectively use a space to be moved as well as additional services through the operation of an integrated system allowing the customer's moving history and information to be managed.

## Overseas Export Program (FGS)



FURSYS offers an integrated service covering the whole process from purchasing, delivery, customs and A/S, etc. to build an office environment when entering overseas markets. Our HQ is responsible for providing the best services from A/S to future purchases by managing the whole process from manufacturing, delivery, and installation. The consulting for FGS is preceded by the existing agencies, and a shipping company designated through bidding handles overseas shipping, lowering costs that customers bear. Also, a total solution for creating an office environment when going abroad is provided by specializing in supporting overseas services accumulated over the past three decades, such as dispatching the construction workforce through our overseas network. In doing so, we can solidify our presence as the best partner with Korean companies when they enter overseas markets.

# OFFICE-BUILDING

Since the launch of the office environment research team in 1999, FURSYS has steadily strengthened its R&D capacity to enhance the value of space and the office environment. The team has set a goal of transforming an office environment into a “joyful living space, not a working space”, going beyond providing product design. By internalizing this goal, we, FURSYS, provide office environment-building consulting services to Korean major companies, contributing to the improvement of work efficiency.

In 2008, we introduced an office environment consulting program, which presents the best option after analyzing the office environment in a multi-faceted way, improving problems, and reflecting feedback from users. It consists of three different analysis programs and four-step processes, which are designed to propose a tailored office environment for each company. We provide a comprehensive solution to create the best office environment through scientific and systematic diagnosis of organization, space, and environment.

## Major Examples

The office environment consulting is provided for major Korean companies

- 
- 2024** LG Business Research, Hyundai Marine & Fire Insurance, etc.

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  - 2023** Kwang dong Pharmaceutical Co., Ltd., Sungho Electronics Corp., Bithumb Korea, etc.

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  - 2022** HANKUK CARBON, MIRAE ASSET Life Insurance, Amore Pacific, LG Innotek, etc.

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  - 2021** GS Global, LG Display, Aju Industry, HD Hyundai GRC, Hwaseung Group, etc.

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  - 2020** IGIS Asset Management, ZEUS, TELCOWARE, YG-1, GS Energy, Amore Pacific, etc.

---

  - 2019** Doosan Group, KAI, Amore Pacific, etc.

---

  - 2018** 3M, Hoban Construction, KB Kookmin Bank, Atomy, Amore Pacific, etc.

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  - 2017** GS Retail (POE), JYP Entertainment, Olympus Corporation, Gyeonggi-do New Office Building, etc.

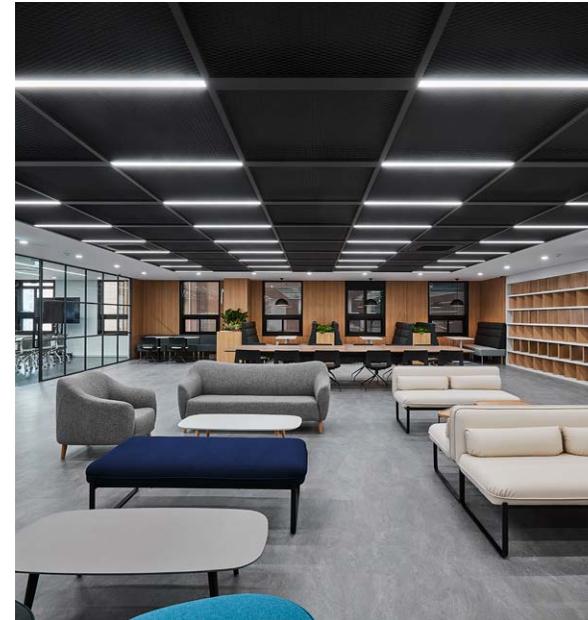
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  - 2016** Bank of Korea, GS Retail, EBS, Seoul City Hall, etc.

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  - ~ 2008** Samsung Electronics Service Center, S-Oil, KT, MBC, Daishin Securities, Homeplus, Korea Southern Power, etc.

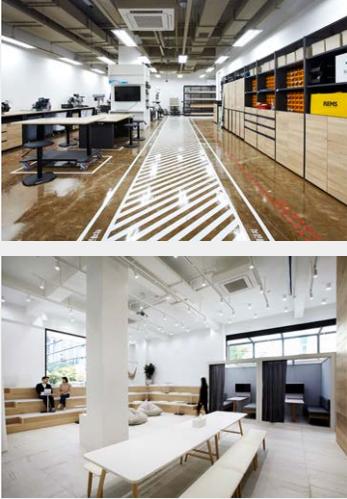
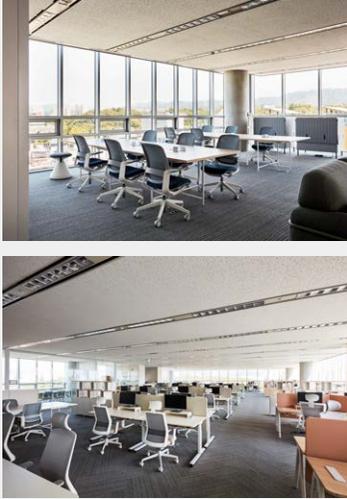
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# OFFICE-BUILDING

## Examples of FURSYS Smart Office Building

FURSYS has accumulated experience of planning and building a smart office through the office environment renewal process.

| 2016   | 2017  | 2018   | 2019   | 2023  |
|--|---|--|--|---|
| <p>Mobile platform,<br/>Wireless environment</p> <p><b>Garden of Thought,<br/>the first step toward changes<br/>in corporate culture</b></p> | <p>A combination of showroom and<br/>actual workplace</p> <p><b>Gwanghwamun<br/>Showroom,<br/>a performing office</b></p> | <p>A place for specific work,<br/>targeting research positions</p> <p><b>Integrated Lab,<br/>a creative office<br/>environment</b></p> | <p>Change in space an corporate<br/>culture through users' sympathy</p> <p><b>FURSYS HQ,<br/>a free and efficient<br/>office</b></p> | <p>A new way of working<br/>in a new normal era</p> <p><b>Parc1<br/>FURSYS Community<br/>Office</b></p> |
|    |   |   |    |                     |

# WORLD'S THREE MAJOR DESIGN AWARDS

FURSYS always thinks about the nature of furniture forming the office environment. Employees are immersed in how to enrich an office environment through the design of furniture, enabling FURSYS to be a world-class office furniture manufacturer. FURSYS is recognized by the world's three major design awards, IDEA, IF Design Award, and Red Dot Design Award, possessing 49 prizes. In 2023, our hybrid work tool, TIKA won the major award of the IF Design Award Product and IDEA Design, demonstrating our competitiveness in design.

## Previous Awards

- |  |   |
|--|---|
| <p><b>2009</b> - ITIS3, IDEA</p> <p><b>2017</b> - enAble, iF Design Award<br/>- enAble, Red dot Design Award<br/>- enable &amp; enLite, IDEA</p> <p><b>2019</b> - PLAYWORKS, iF Design Award<br/>- PLAYWORKS, Red dot Design Award<br/>- PLAYWORKS, IDEA</p> | <p><b>2022</b> - WEYARD, SYSTEM BOOTH, iF Design Award<br/>- WEYARD, SYSTEM BOOTH, AERIE, Red dot Design Award<br/>- WEYARD, SYSTEM BOOTH, IDEA</p> <p><b>2023</b> - TIKA, iF Design Award<br/>- TIKA, IDEA</p> |
|--|---|



WEYARD



AERIE



TIKA



## Furniture Development Mindset

FURSYS leads the office culture and furniture industry by remaining distinctive as a design specialist who runs a nationally certified furniture lab for the first time in Korea.



# ESG MANAGEMENT STRATEGY

# ESG HIGHLIGHTS

## Environmental

### Certificate of GREENGUARD

After initially certified in 2012 for the first time in Korean furniture industry, renew it for 12 years consecutively.



### ISO 14001

Certificate of Environmental Management System



### Green improvement and application in packaging process

December 2023, Started the sample test

March 2024, Applied to the packaging process



## Social

### "Community Office" an experience work lounge

March 2023



### ISO 9001 / ISO 45001

Certificate of Quality Management System and Occupational Health and Safety Management System

### A delivery payment sliding contract with supplier for mutual growth

April 2024



### A series of TIKA, a portable work tool, winning a design award

In 2023, winning a main award of the IF Design Award Product and IDEA Design Award



### Arranging Win-Win worth KRW 10 billion

December 2023



### Social contributions to the disadvantaged in collaboration with the company

November 2023, Renovation project of Woori Dongjak Center for Independent Living

## Governance

### Establishment of ESG strategy system

April 2024



### Independent director, serving as a chair of the BOD

April 2024, Changed related regulations



### Opening a website for whistle-blowing

March 2024



# ESG STRATEGY SYSTEM

## ESG Vision

In April 2024, FURSYS put up a vision of ESG management “Office be Universe”, expressing its commitment to a systematic ESG management. The company has set up action plans to accomplish the goal of each sector, environment, social, and governance. We want to realize net zero by creating an environment management system and actively responding to climate change and pursue social implications including safe operation of business sites, product quality improvement, mutual growth with suppliers, and coexistence with local communities to practice corporate social responsibility. Also, we promise to become a reliable company for stakeholders by establishing sustainable governance and strengthening compliance.

# OFFICE BE UNIVERSE

## Environmental

## Social

## Governance

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| <br> | <br> | <br> | <br> | <br> | <br> | <br> | <br> |
| <p><b>Unified Environmental Management</b></p>  | <p><b>Net Zero Transition</b></p>   | <p><b>Improvement in Workplace</b></p>  | <p><b>Value of Product</b></p>  | <p><b>Engagement in Fair Trade</b></p>  | <p><b>Relationship with Community</b></p>   | <p><b>Sustainable Governance</b></p>  | <p><b>Enhancement of Compliance</b></p>   |
| <p>Establishment of environment policy and management of impact</p>   | <p>Climate change response</p>  | <p>Creation of a safe office environment for employees</p>  | <p>Improvement of product quality and safety</p>  | <p>Mutual growth with supplier</p>  | <p>Coexistence with local community</p>   | <p>Securing board expertise and diversity</p>   | <p>Internalizing a company-wide anti-corruption and integrity culture</p>   |

## ESG Business Management Strategy Direction

In April 2024, FURSYS came up with a concrete direction for ESG business management along with the establishment of an ESG management vision. The company plans to build ESG management infrastructures, concretize ESG strategy systems, and execute three-step strategies to advance ESG management by 2024, 2025, and 2026, respectively. To that end, the ESG Committee will be introduced under the BOD, and we want to leap forward to become a leader in domestic ESG management by strengthening ESG management, including operating ESG management responsible organization, etc.

|                    | <b>2024 Building</b><br><b>Establishment of ESG Business Infrastructure</b>   | <b>2025 Developing</b><br><b>Concretization of ESG Strategy System</b>   | <b>2026 Advanced</b><br><b>Advancement of ESG Implementation</b>   |
|--------------------|---|--|--|
| <b>Goal</b>        | <b>Domestic standard</b>  | <b>Leap forward to be at high rank in Korea</b>  | <b>Leading company in ESG management in Korea</b>  |
| <b>Major areas</b> | <b>(Step 1) First year of announcing ESG management</b><br>Establish ESG management strategies through company assessments,<br>Share ESG management goals with the company,<br>Disclose to communicate with internal and external stakeholders  | <b>(Step 2) First year of spreading ESG management</b><br>Establish and advance ESG business management strategy and set the index of core performance,<br>Internalize employees through a clear distribution of role and performance index management,<br>Manage performance necessary for external assessment  | <b>(Step 3) Position itself as a leading company in ESG management</b><br>Develop best practice through ESG business management,<br>Promote ESG assessment ratings by strengthening international activity   |
| <b>Details</b>     | <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• Declare the vision and goal of environment management</li> <li>• Establish environment management system</li> <li>• Estimate and verify GHG emissions</li> <li>• Energy mitigation activity and measurement of energy savings year-on-year</li> <li>• Figure out the status of waste generation and the amount of recycled</li> </ul> <hr/> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Identify the status of establishing occupational health and safety policy and establish a procedure of safety standards</li> <li>• Figure out the status of product defect ratio and establish a response system</li> <li>• Enact and comply with the Fair Trade Standard Agreement</li> <li>• Announce ESG Code of Conduct of suppliers</li> <li>• Establish a strategic roadmap for social contribution and make social contribution a brand</li> </ul> <hr/> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Introduce the evaluation of the BOD and separate CEO with the Chair of the BOD</li> <li>• Manage major ESG management performance centering around strategic tasks</li> <li>• Publish a sustainability report</li> </ul> | <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• Set core performance index of environment management</li> <li>• Concretize a roadmap for climate change response (establish a roadmap for mitigation by year)</li> <li>• Establish a concrete plan for green energy production and purchasing</li> <li>• Set the goal of total wastes recycled and increase the amount of green product usage</li> </ul> <hr/> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Establish a system of occupational safety culture</li> <li>• Establish a standard procedure for management of product defect</li> <li>• Educate the policy of human rights</li> <li>• Conduct ESG assessment of suppliers</li> <li>• Review and educate ISO 27001 certificate</li> </ul> <hr/> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Publish a sustainability report</li> <li>• Expand a communication network with external stakeholders</li> </ul> | <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• Reach a certain ratio of green energy usage within the business sites</li> <li>• Obtain ISO 50001, the international standard for energy business management system</li> <li>• Strengthen profits based on low-carbon, high-efficient products</li> </ul> <hr/> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Advance occupational safety culture</li> <li>• Conduct human rights impact assessment</li> <li>• Recommend corrective actions for suppliers identified as a high-risk group during the process of supply chain ESG assessment</li> <li>• Certification of information security and personal information protection including ISO 27001, ISMS, etc.</li> </ul> <hr/> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Introduce the BOD evaluation</li> <li>• Certification and renewal of ISO 37001</li> <li>• Expand a communication network with internal and external stakeholders</li> </ul> |

# STAKEHOLDER MANAGEMENT

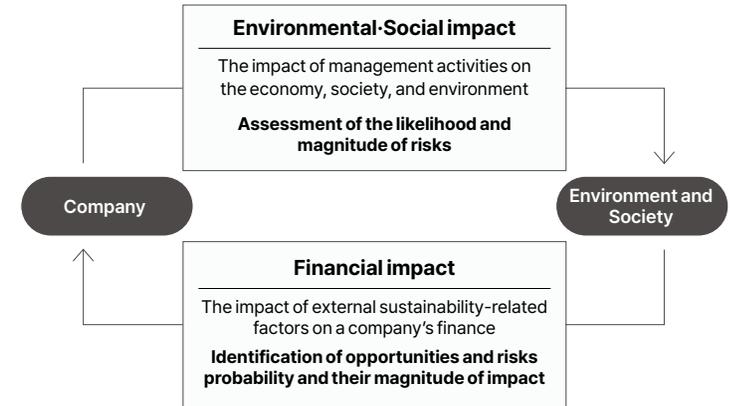
FURSYS has selected five stakeholders including employees, customers, shareholders and investors, suppliers, NGOs, and the local community, and run a communication channel by stakeholders. The company is actively listening to the opinions of stakeholders through the communication channel, which is reflected in business activity to lay the ground for sustainable growth. Going forward, we will keep promoting our capability of sustainable management through indirect and direct business engagement and vibrant communication with stakeholders.

## Communication Channel with Stakeholders

| Category   | Major Issue  | Communication Channel  | Communication Frequency   | Responses   |
|--|--|--|---|---|
|  <b>Employee</b>                  | <ul style="list-style-type: none"> <li>Fair assessment and compensation</li> <li>Communication and corporate culture</li> <li>Work and life balance</li> <li>Welfare</li> </ul>                    | <ul style="list-style-type: none"> <li>Performance assessment</li> <li>Feedback on capability</li> <li>FURSYS Brand Day</li> <li>Culture Agent</li> </ul>                              | <ul style="list-style-type: none"> <li>Twice a year</li> <li>Once a year</li> <li>Once a month</li> <li>Frequently</li> </ul> | <ul style="list-style-type: none"> <li>To run a personnel evaluation system and education program for the growth of employees</li> <li>To plan and operate various programs to facilitate a corporate culture</li> </ul>  |
|  <b>Customer</b>                  | <ul style="list-style-type: none"> <li>Improvement of product and service, AS</li> <li>R&amp;D for green product</li> <li>Personal information protection</li> <li>Product satisfaction</li> </ul> | <ul style="list-style-type: none"> <li>Website</li> <li>CS center</li> <li>CS satisfaction survey</li> </ul>   | <ul style="list-style-type: none"> <li>Frequently</li> <li>Permanently</li> <li>Once a week</li> </ul>                        | <ul style="list-style-type: none"> <li>To build a Quality Management System and operate a Quality Management Committee</li> <li>To operate a system of personal information leakage and a network separation system of personal information personnel</li> <li>To run a permanent CS center, reflect customer feedback, and conduct proactive recall</li> </ul> |
|  <b>Shareholder and investor</b> | <ul style="list-style-type: none"> <li>Transparent disclosure of information</li> <li>Protection of shareholders' right</li> </ul>   | <ul style="list-style-type: none"> <li>General shareholders' meeting</li> <li>Disclosure of performance by quarter</li> <li>Q&amp;A with stakeholders</li> </ul>                       | <ul style="list-style-type: none"> <li>Once a year</li> <li>Four times a year</li> <li>Permanently</li> </ul>                 | <ul style="list-style-type: none"> <li>To disclose the status of company operation transparently</li> <li>To hold shareholders' meetings and the BOD on time</li> <li>To allocate dividends according to the shareholder return policy</li> </ul>   |
|  <b>Supplier</b>                | <ul style="list-style-type: none"> <li>Mutual growth</li> <li>Fair trade</li> <li>Occupational safety and health</li> </ul>  | <ul style="list-style-type: none"> <li>Meeting for productivity improvement</li> <li>Environmental safety and health meeting</li> <li>Meeting to discuss other major agenda</li> </ul> | <ul style="list-style-type: none"> <li>Once a week</li> <li>Once a month</li> <li>Once a month</li> </ul>                     | <ul style="list-style-type: none"> <li>To support a safe and healthy environment for suppliers</li> <li>To operate a delivery payment sliding system</li> </ul>   |
|  <b>NGO<br/>Local community</b> | <ul style="list-style-type: none"> <li>Local coexistence</li> <li>Practice of social responsibility</li> <li>Contribution to local community</li> </ul>  | <ul style="list-style-type: none"> <li>Consultation with stakeholders and Q&amp;A</li> <li>Social contribution program</li> </ul>  | <ul style="list-style-type: none"> <li>Frequently</li> <li>Frequently</li> </ul>  | <ul style="list-style-type: none"> <li>To reflect regional situations and business characteristics by business site to establish and implement social contribution activities</li> </ul>  |

# MATERIALITY ASSESSMENT

To figure out material issues that can affect a company's sustainability, FURSYS has carried out a materiality assessment according to the principle of GRI Standards selecting reporting topics. The issue pool is organized based on the analysis of domestic and international environments including international standard analysis, major company benchmarking, and media research. And materiality assessment is conducted, considering environmental, social, and financial implications. This assessment is proceeded based on the principle of Sustainability Context, Materiality, Completeness, and Stakeholder Inclusiveness recommended under GRI Standards and ISO 26000. Also, "double materiality assessment", currently being discussed as a material concept during the standardization process of a global non-financial disclosure, is applied. The double materiality assessment consists of impact materiality and financial materiality when assessing material issues on the company's sustainability. FURSYS plans to select 8 material issues by collecting the opinions of stakeholders and actively reflecting them into business management activities.

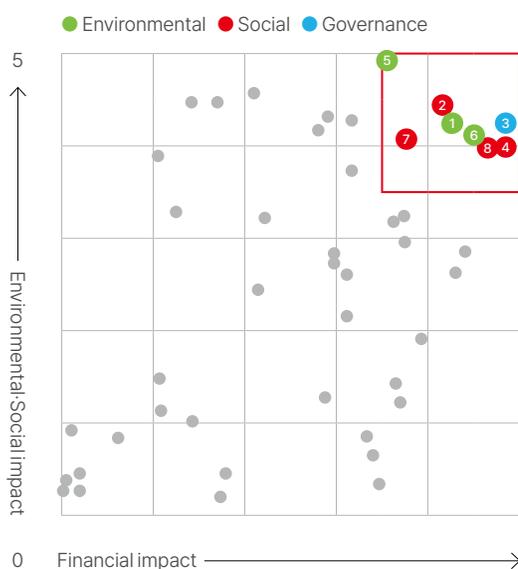


## Double Materiality Assessment Process

|   |  |  |  |
|---|--|--|--|
| <p><b>step 1</b></p> <p><b>Issue pool composition</b></p> <p>Define FURSYS's ESG issue pool through domestic and international environment analysis</p> <ul style="list-style-type: none"> <li>Analysis of major ESG information disclosure standards (GRI, SASB, TCFD), ESG assessment items and guideline (MSCI, KCGS, K-ESG, FSC), and relevant analysis</li> <li>FURSYS's ESG issues exposed to the media (January 1, 2021 – January 29, 2024, 494 valid articles)</li> <li>Analysis of reported issues in the sustainability reports of 4 companies in the same industry (2 foreign companies, 2 domestic companies)</li> <li>Online survey regarding ESG issue (131 employees and 33 external stakeholders)</li> <li>Analysis of internal ESG management environment</li> </ul> | <p><b>step 2</b></p> <p><b>Impact identification</b></p> <p>Issue analysis after considering the actual impact, potential impact, positive and negative impact of issue pool</p> <ul style="list-style-type: none"> <li>Regarding 46 issues identified in the issue pool,                     <ul style="list-style-type: none"> <li>Identification of the actual and potential impacts including the economic, environmental, and human rights impact on society across business activities and business relationship</li> <li>Identification of the positive or negative implication of the impact, considering the magnitude, scope, and possibility of the issue impact</li> </ul> </li> </ul> | <p><b>step 3</b></p> <p><b>Double materiality assessment</b></p> <p>Materiality assessment on 46 issues from the perspective of impact materiality and financial materiality</p> <ul style="list-style-type: none"> <li><b>Impact materiality</b> <ul style="list-style-type: none"> <li>Analysis of disclosure index and relevant law from the perspective of impact and financial materiality</li> <li>Survey targeting stakeholders (131 employees and 33 external stakeholders)</li> <li>FURSYS's ESG issues exposed to the media (January 1, 2021 – January 29, 2024, 494 valid articles)</li> </ul> </li> <li><b>Financial materiality</b> <ul style="list-style-type: none"> <li>Analysis of disclosure index from the perspective of financial materiality</li> <li>Survey targeting 131 employees</li> <li>Analysis of reported issues in the sustainability reports of 4 companies in the same industry (2 foreign companies, 2 domestic companies)</li> </ul> </li> </ul> | <p><b>step 4</b></p> <p><b>Identification of material issues</b></p> <p>Selection of 8 top issues as a material issue according to the materiality assessment result on 46 issues</p> <ul style="list-style-type: none"> <li><b>Derivation of material issues</b> <ul style="list-style-type: none"> <li>Derive material issues by reflecting a comprehensive assessment result of impact materiality and financial materiality</li> </ul> </li> <li><b>Feasibility review of material issues</b></li> <li><b>Comparison with the disclosure standard of the same industry and global one</b> <ul style="list-style-type: none"> <li>Compare with benchmarked company</li> <li>Compare between major disclosure standards and material issues</li> </ul> </li> <li><b>Determination of material issues through executives' review</b></li> </ul> |
|---|--|--|--|

Through double materiality assessment, FURSYS selected 8 material issues and disclosed related content in the report. Also, each material issue was systematically managed in line with FURSYS's ESG business strategies, and the identified material issues were finally confirmed through the review and approval of executives. The material issues and major content by material issue defined by FURSYS were stated in the right below table. FURSYS has regularly monitored material issues and managed its response. In that regard, the environmental, social, and financial implications of FURSYS's business activities by material issues were evaluated. The status of what FURSYS did to take action against the issues was reported. Our sustainability activities and performance regarding the material issues were transparently disclosed in the report. FURSYS will continue to manage ESG material issues systematically, advance ESG management, and motivate execution.

## Double Materiality Assessment Result



| Rank | Category      | Material Topic   | Definition   | Environmental-Social Impact | Financial Impact | FURSYS's Response to Material Topic  | Page             |
|------|---------------|--|--|-----------------------------|------------------|--|------------------|
| 1    | Environmental | Management of waste reduction and discharge                          | Resource circulation through waste management, reduction and recycling following legitimate procedures                                 | ●●●●○                       | ●●●●●            | Improvement of raw material yield and reduction of loss ratio, use fractured waste synthetic resin as a heat source, development of waste wood self-feeder                                       | p. 34-35, 68     |
| 2    | Social        | Strengthening product quality and safety                             | Securing competitiveness in the market through quality improvement, reduction of hazardous materials in products, strengthening safety | ●●●●●                       | ●●●●●            | Operation of the Quality Management System and relevant Committee, improvement of product reliability system, voluntary recall   | p. 38-39         |
| 3    | Governance    | Dissemination of anti-corruption and integrity culture               | Strengthening in-house ethical management culture to eradicate violations of laws and other unethical behavior                         | ●●●●●                       | ●●●●●            | Establishment of ethical management system and spreading action plans, operation of ethical management action organization, operation of whistle-blowing center, ethical management education    | p. 60-61, 71, 74 |
| 4    | Social        | Fair trade   | Fair trade with suppliers and other groups according to transparent and legitimate procedures  | ●●●●○                       | ●●●●○            | Selecting and contracting with suppliers based on assessment system, making a contract for delivery payment sliding, operation of a program for mutual growth with agencies                      | p. 41-42         |
| 5    | Environmental | Reduction of energy consumption and improvement of energy efficiency | Figuring out energy consumption intensity (electricity, gas, etc.), efficient energy consumption and reduction                         | ●●●●○                       | ●●●●○            | Measurement of energy consumption, introduction of high-efficient facilities, replacing LED light, ON/OFF controller, control operating time of heater in winter season                          | p. 32-33         |
| 6    | Environmental | Management and reduction of GHG emission                             | Measurement of GHG emissions and reduction, GHG intensity  | ●●●●○                       | ●●●●○            | Measurement of GHG emissions, calculation of GHG intensity, installation of solar power generation facilities  | p. 32, 66        |
| 7    | Social        | Strategic social contribution  | Strategic social contribution related to the business characteristics, social contribution at a company-wide level                     | ●●●●●                       | ●●●●●            | Establishment of a strategic system for social contribution, contribution to local communities, activities for strategic social contributions  | p. 53-55, 72     |
| 8    | Social        | Establishment of safety and health policy and system                 | Establishment of occupational safety and health policy and manual, and a safe office environment                                       | ●●●●○                       | ●●●●●            | Operation of the Occupational Health and Safety Management System, Safety and health evaluation for suppliers who perform risk assessment regularly and irregularly, safety and health education | p. 49-52         |



# ESG PERFORMANCE

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# ENVIRONMENTAL



## Environmental Management System

### Environmental Management System

FURSYS wants to produce products caring for nature and human. The company's major production facilities, Anseong Plant, and Chungju Plant, and Spatial Business Division obtained ISO 14001 from ISO for building a systematic Environmental Management System.

All products of our company are produced after going through "Design For Environment (DFE)", which considers maleficence, degradability, recyclability, energy efficiency, etc. from planning to design. In 2005, all products obtained eco-labels, which are to encourage green products to be introduced and green technology to be developed, granted by the Ministry of Environment, and until now, we've kept obtaining and renewing this label. Also, for the first time in Korea, we obtained GREENGUARD, a supreme certificate granted to green products, and our 96 products are qualified as the ones complying with the standard.

### Green Design Process



#### Clean production

- Use green materials
- Energy savings
- Minimizing pollutants



#### Clean supply

- Resource savings by strengthening quality factors like durability, expandability, and versatility
- Lengthen life cycle of existing products by improving A/S quality



#### Safe scrap

- Waste sorting by part materials and recycling
- Prioritize using recycling packing materials

## Environmental Law Compliance

FURSYS's Anseong Plant and Chungju Plant have complied with domestic and international environmental laws and requirements. The company has conducted compliance assessments to figure out whether there is any violation of relevant laws and other requirements every year and reviewed compliance with environmental law, violation cases, prevention systems, etc. Also, compliance education is conducted for employees more than once a year to raise awareness and internalize environmental laws. In the past three years, one violation of environmental laws occurred, imposing KRW 1.6 million in fines for leaving a damaged facility for the prevention of air pollution. We will work hard to manage compliance with environmental laws to prevent any violation of environmental laws and recurrence.

### Status of Violation of Environment Laws

| Category      | Date             | Violation Case   | Legal Disposition      |
|---------------|------------------|--|------------------------|
| Anseong Plant | October 16, 2022 | Leaving a damaged facility for the prevention of air pollution | KRW 1,600,000 of fines |

## Environmental Management

FURSYS has proceeded EIA at the stage of product development, determined specifications and functions of the product based on the assessment results, and finally produced products. The prerequisite for the production of FURSYS is compliance with domestic and international safety regulations including KS\*, EN\*\*, BIFMA\*\*\*, etc., and green product development solution is applied to the stage of planning and development. Also, the company avoids using papers when sharing information and collaborating with partners during the process of development and internalizes environmental management including the utilization of in-house electronic approval and digital solutions for business communication.

The company has expanded the ratio of recycled raw materials when manufacturing products to minimize their environmental impact in the step of securing raw materials and increased the ratio of green process introduction, such as blocking the occurrence of hazardous pollutants like heavy metals, etc. by excluding the use of chromium-plated process and promoting the use of green paint, etc. Also, existing OPP tapes, applied to the packaging, are replaced with paper tapes completely dissolved in water, and organic compound packing materials which are used to prevent damages are changed to paper buffers. Like so, we've worked hard to minimize any hazardous factors from waste packing materials.

The company will keep pursuing environmental business management and leap forward to become a leading green company by discovering concrete strategies and tasks.

\* KS: A temporary certificate issued by KS authority based on whether a company is equipped with a system of continuously producing products in accordance with the Korean Industrial Standards

\*\* EN: European Norm

\*\*\* BIFMA: Business and Institutional Furniture Manufacturer's Association



ISO 14001 (Chungju Plant)



ISO 14001 (FURSYS)



Eco-label



GREENGUARD

### Manufacturing process of green product



# Environmental Management Activity

## GREENGUARD\* Certificate

FURSYS complies with the strictest green standards in the world. FURSYS is the first Korean company in the furniture industry whose products obtained GREENGUARD, an American green product certification in 2012. GREENGUARD adopts user-centered inspection standards and methods, which are much trickier to obtain and manage than domestic green certification. We've continuously renewed this certificate until now from the initial certification in 2012, and to acquire GREENGUARD, our EIA and the level of complementing the related process have been strengthened every year.



\* GREENGUARD is a third-party certification on indoor air quality, started by The GREENGUARD Environmental Institute (GEI) in 2001. It is a regime that investigates whether materials, finishing materials, and other products comply with the standard of indoor environment and indoor air quality and grants a certificate based on VOC emission tests, which have the strictest standards in the world.

### GREENGUARD VS Green Certification

| Category                       | GREENGUARD  | Green Certification  |
|--------------------------------|---|--|
| Formaldehyde test              | Primary sample test<br>Secondary finished good test                                 | Primary sample test  |
| Focus                          | Indoor air quality<br>(Analysis on hazardous materials of space after installation) | Consumption of recycled materials, durability quality, mitigation of pollutants, recycling after use, etc. |
| Certificate holder             | First Korean company  | Several Korean furniture companies   |
| Certificate term               | 1 year  | 2 year   |
| Post management of certificate | Four times a year   | Once in two years  |

## Waste Water Purification

FURSYS has planned and operated the production process by considering environmental impacts from the whole process from production to scrap. The company's Anseong Plant has a wastewater disposal plant to minimize the discharge of pollutants and discharges wastewater inevitably occurring from the production process after going through three steps of the purification process.



PH balancing tank



Chemical treatment tank



### Status of water pollutants discharge

| Category  | Unit | Production facility | 2021 | 2022 | 2023 |
|---|------|---------------------|------|------|------|
| Water pollutants (COD, BOD, SS) Total emissions | Ton  | Anseong Plant       | 0.3  | 0.2  | 0.2  |
|   |      | Chungju Plant*      | -    | -    | -    |

\* Water pollutants are regularly measured but annual data hasn't been managed; therefore, the data will be managed since 2024.

## BEST PRACTICE



### Green Lumber

FURSYS has used green lumber with E0 grade when manufacturing products. We became the first Korean furniture company that uses E0 grade lumber, applying and complying with a strict green standard. On top of lumber, a primary material, we use a harmless adhesive, hot melt adhesive, and green solvent-free paint. FURSYS has made utmost efforts to turn itself into a reliable company that produces products anyone can use safely by using green raw and subsidiary materials mentioned above. We meet our customers through products made out of green materials and green processes. FURSYS's philosophy of environmental management, "caring nature and humans" is reflected.

#### Using a hot melt adhesive, harmless to humans

BAZ3000 from German Fuller



#### Toxic-free powder coating

Green solvent-free paint



### Using lumber with E0 grade

All products manufactured in FURSYS are made of E0 grade lumber which is in almost natural state.



#### \* Formaldehyde

A chemical that is a primary source of indoor air pollution and is classified as a carcinogen. Its grade and usage are strictly limited globally. When being exposed to formaldehyde, you can suffer from several symptoms like eye irritation, cough, headache, attention problems, etc. In case of prolonged exposure, atopy may occur.

# Climate Change Response

## Mitigation and Management of Carbon Emission

Given the characteristics of the process, since there are no scope 1 emissions, FURSYS has worked hard to mitigate the indirect emissions of GHG by gradually reducing energy consumption, which constitutes mitigation of scope 2 emissions. Our Anseong Plant has switched its facilities to be more efficient compared to energy consumption through the project of changing aged facilities and managing operating hours by facility to minimize energy consumption.

From 2020 to 2023, we put KRW 75 million into changing lights in the new buildings and warehouses into LED lights, allowing us to save KRW 32 million from 2020 to 2023. We also seek various approaches to use energy efficiently in business sites, such as controlling the operating hours of the heater in the winter season and saving the amount of LNG consumption through an ON/OFF controller. In 2023, the amount of electricity saved in the Anseong Plant and Chungju Plant increased to 2,131MWh from 2022.

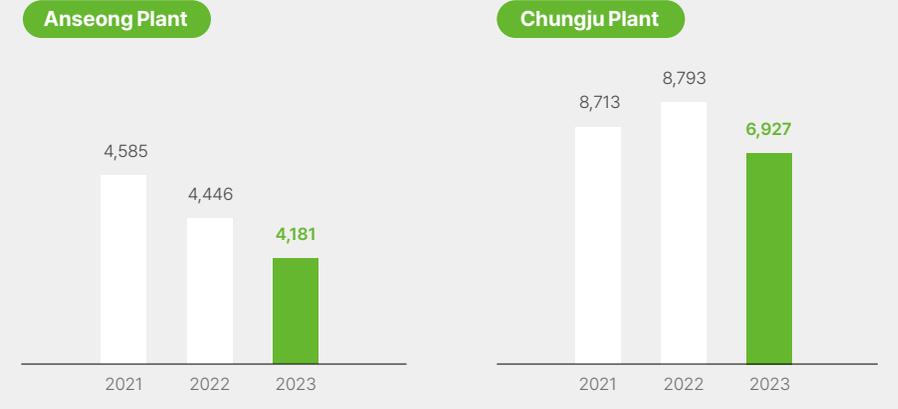
### Status of Anseong Plant Changing Light\*

| Category                                     | 2020      | 2021      | 2023      |
|--|-----------|-----------|-----------|
| Metal lamp → LED light (No.)                 | 662 → 563 | 615 → 615 | 443 → 234 |
| Annual electricity bill savings (KRW 10,000) | 1,400     | 1,200     | 600       |

\* No light was changed in 2022

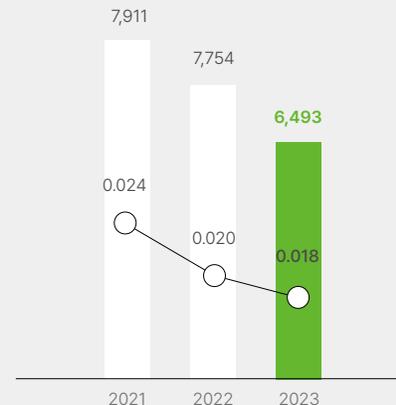
### Electricity Consumption by Business Site

(Unit : MWh)



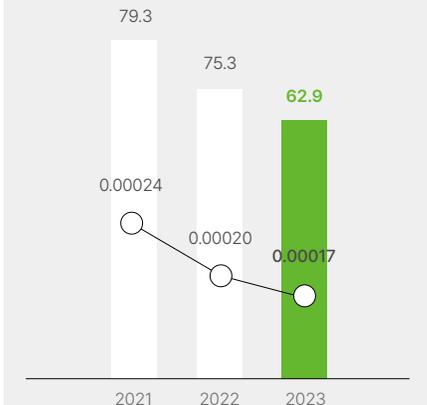
### GHG Emission

■ GHG emission (tCO<sub>2</sub>eq)  
○ Intensity (tCO<sub>2</sub>eq/KRW million)



### Energy Consumption

■ Total energy consumption (TJ)  
○ Intensity (TJ/KRW million)



## Expansion of Renewable Energy

Our Chungju Plant has built a power generation system with the use of renewable energy by installing a solar panel of 100KW in December 2021. This system produced 262,330KWh of electricity annually in 2023, accounting for 2.8% of electricity consumption in the Chungju Plant. The company is planning to expand facilities so that our Anseong Plant and other business sites can get renewable energy. Ultimately, our goal is to contribute to carbon neutrality by mitigating GHG emissions.

### Status of Solar Power Generation in Chungju Plant

| Category   | 2020 | 2022    | 2023    |
|--|------|---------|---------|
| Amount of solar power generation (KWh)   | -    | 266,342 | 262,330 |
| Ratio (%)<br>(Solar power generation output/<br>Total electricity consumption) | -    | 2.9     | 2.8     |

Installation of solar panels at Chungju Plant



## Employees' Participation in Environmental Management

FURSYS has engaged in various activities to internalize environmental management. Employees are recommended to wear civilian clothes and an "office cool-biz" look when working at the office, minimize paper usage, make waste sorting a way of life, and use tumblers when using the in-house cafeteria, etc., which are aimed at introducing green culture in the company. In August 2023, CEO Gwang-ho Park participated in an energy-saving relay campaign "Cool Korea Challenge." The "Cool Korea Challenge" is a relay campaign led by the Fashion Group Hyungji and the Korea Energy Agency to save cooling energy by wearing cool and casual clothes in the summer season. Along with our members, the CEO Gwang-ho Park participated in this challenge while wearing casual clothes thanks to a nomination by Won-jik Lee, CEO of LOTTE Biologics. Not only that, we also encouraged our employees to join this challenge to help Cool Korea Challenge be rooted in the corporate culture of furniture companies including FURSYS, ILOOM, SIDIZ, etc. Since February 2023, our CEO also joined a campaign of "Zero-Disposable Product Challenge" lead by the Ministry of Environment and actively recommended reducing the use of disposable products and encouraging the use of reusable products to protect our environment. The company promises to instill the importance of environmental management into our employees by driving various environmental campaigns and programs, etc. domestically and internationally.

Zero-Disposable Product Challenge



Cool Korea Challenge

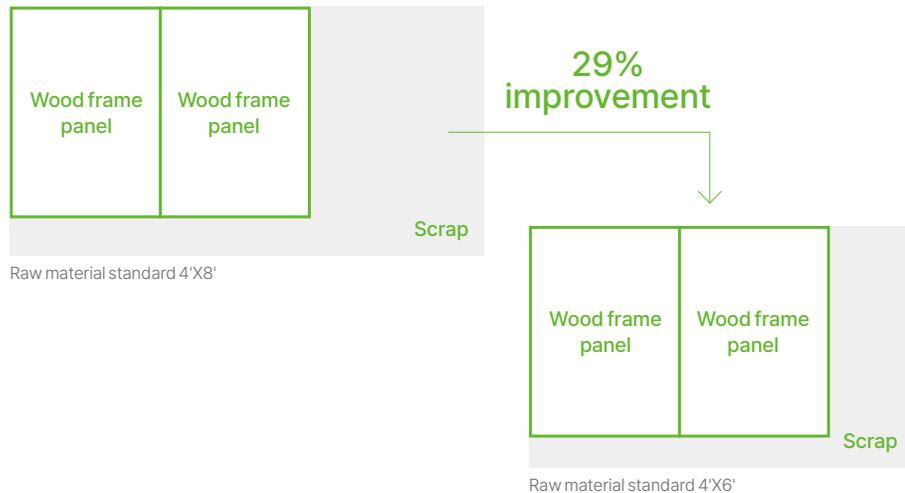


# Efficient Utilization of Resources

## Efficient Utilization of Raw Materials

FURSYS has identified and improved products that undermine the yield of raw materials to effectively utilize limited resources, making our products more competitive in price. Since January 2024, our Chungju Plant changed the standard of 42 wood frame panels, one of our raw materials, from 4'x8' to 4'x6'. Thanks to this change, the ratio of wood frame panels scrapped was reduced by 29% from 52% to 23%. On top of that, we expect to experience the positive effect of saving about KRW 52 million in production costs. The company will continue to seek a way to minimize scrapped resources by securing and utilizing raw materials effectively.

### Yield Improvement of Raw Materials



### Yield Improvement of Raw Materials

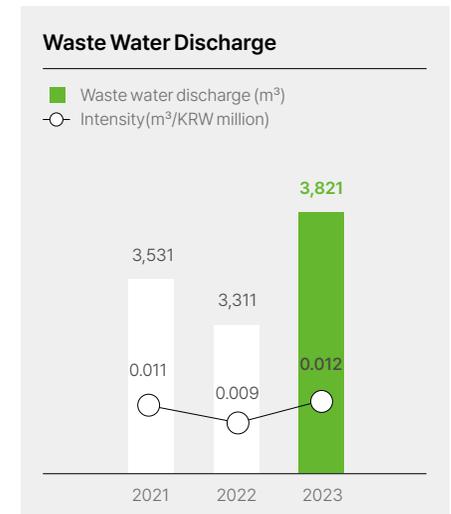
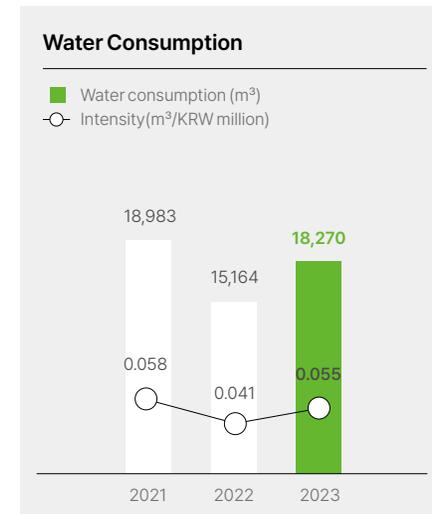
| Items applied              | Name             | Before (%) | After (%) | Increase/decrease (%) |
|----------------------------|------------------|------------|-----------|-----------------------|
| 41 items except for LF0082 | Wood frame panel | 52         | 23        | 29 ↓                  |

### Material Costs

| Items applied              | Before (KRW) | After (KRW) | Increase/decrease (KRW) | Ratio (%) |
|----------------------------|--------------|-------------|-------------------------|-----------|
| 41 items except for LF0082 | 208,370,472  | 156,277,854 | -52,092,618             | -25%      |

## Management of Water Resource Consumption

FURSYS is well aware of environmental crisis with more areas increasingly stressed by water shortage in Korea. In response to it, water resource consumption is effectively being managed. We've regularly monitored water-intake resources and water consumption by business sites to prevent water from being used unnecessarily.

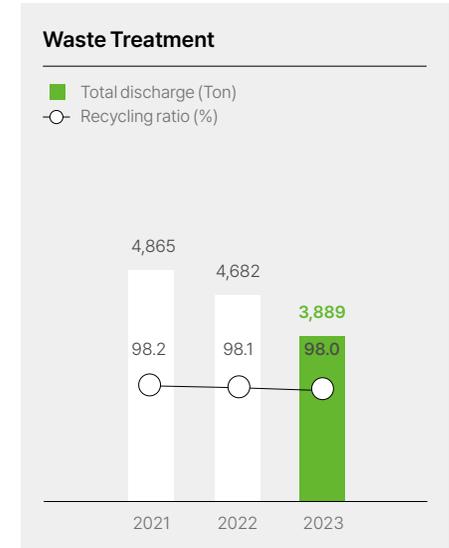
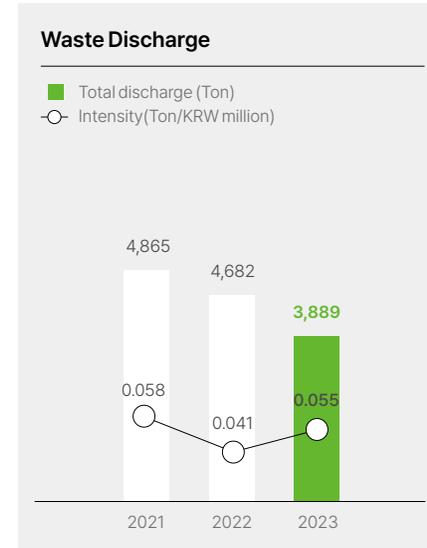


## Waste Discharge Management

Our major production facilities, Anseong Plant and Chungju Plant have continuously managed waste discharge and most of the waste is being recycled to minimize the environmental impact of waste discharge.

Our Chungju Plant has implemented various policies to mitigate waste discharge with the goal of reducing waste discharge by 21% compared to 2023. Since January 2024, we've started designing a facility for separating wood meal and edge scrap and discharging them, and since February 2023, a waste wood self-feeder has been installed in an incinerator to improve combustion efficiency. Both facilities are scheduled to be installed by June 2024, and if they are introduced on-site, they would be quite effective in reducing the amount of waste discharge and ultimately minimizing the environmental impact. The recycling ratio of waste in the Chungju Plant averaged 98.3 % over the past three years.

Anseong Plant has categorized waste generated from the manufacturing process into two; designated waste and general waste. For example, waste synthetic resin is used as a heat source after being fractured. In 2023, the total amount of waste recycled was 992.3 tons. The recycling ratio of waste in Anseong Plant is averaged 97.5% over the past three years.



### Waste Classification

| Category         | Unit | 2021  | 2022  | 2023  |
|------------------|------|-------|-------|-------|
| Designated waste | Ton  | 172   | 139   | 123   |
| General waste    | Ton  | 4,693 | 4,543 | 3,766 |



# Green R&D

## Management of the Environmental Impact of Product

FURSYS has managed the environmental impact of the products by conducting environmental impact assessment and environmental aspect assessment thoroughly starting from the stage of product planning and development which its integrated lab, STUDIO ONE is in charge of. The product development personnel evaluates the impact on relevant laws, customers, and other stakeholders, product maleficence, and other risks, etc., and directly conducts environmental impact assessment, which comprehensively considers the environmental impact of raw materials necessary for production and whether to be recycled. We have also conducted an environmental aspect assessment that comprehensively measures the impact on stakeholders, risk assessment results, legal requirements, priorities, the degree of environmental impact, and environmental pollutants potentially occurring from each development stage. This assessment allows us to effectively figure out major environmental impacts, set up concrete environmental goals and index, and a feasible plan for environmental impact management.

Both environmental impact assessment and environmental aspect assessment enable us to minimize potential negative impacts across the product life cycle and produce sustainable products. In this process, the company has strengthened environmental responsibility through monitoring and improvement to save energy, reduce waste, and minimize the use of hazardous materials. We will work hard to proactively respond to changes in relevant laws and regulations and provide green products and services in a much safer and more reliable way.

FURSYS STUDIO ONE



### Environmental Impact Assessment

| Category             | Item  |
|----------------------|---|
| Policy and law       | Environmental laws and other requirements, field operation guideline and regulations          |
| Stakeholder          | Civil complaint, lawsuit, petition, fine, environment campaigns, media report and publication |
| Risk                 | Risk (R) = Probability (P) × Gravity of Consequences (C)                                      |
| Financial aspect     | Feasibility   |
| Technological aspect | Available to improve technology   |

### Environmental Aspect Assessment

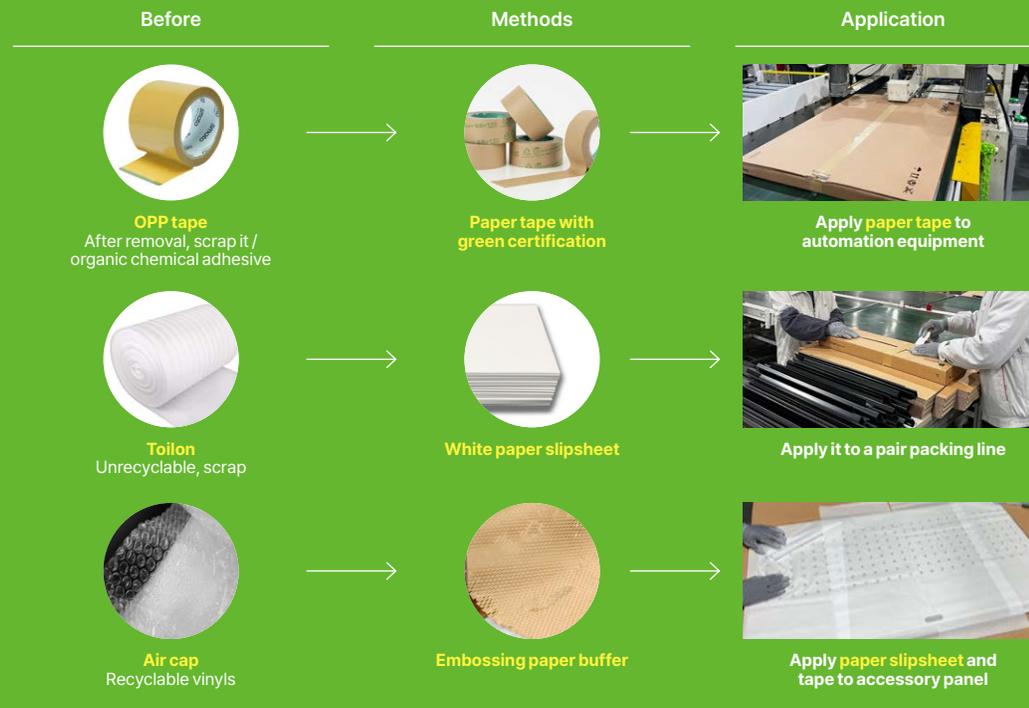
| Category                    | Item   |
|-----------------------------|--|
| Environmental impact        | Air, water quality, waste, soil, energy, noise, vibration, bas smell, particle, etc. |
| Laws and other requirements | Level of regulation  |
| Safety/health               | Level of maleficence   |
| Stakeholder                 | Level of requirement   |

# BEST PRACTICE



## Green Packaging

As part of its effort to make the product packaging process green, FURSYS has checked the status and conducted sample tests to apply green packing materials since December 2023. Based on sample results and monitoring, green paper tape, white paper slip sheets, and embossing paper buffers have been applied to the packing process since March 2024. This effort turned out to be effective in reducing waste discharge as much as the annual packing material consumption (length : 3,498,960m, area : 94,628m<sup>2</sup>) and minimizing the negative environmental impacts across the whole life cycle of the products by using recyclable packing materials.



## Transition all packing materials into recyclable materials

### Before

| Category | Annual consumption   | Remark   |
|----------|----------------------|--|
| OPP tape | 3,498,960m           | Unrecyclable, dumped as a general waste                        |
| Toilon   | 94,628m <sup>2</sup> | Unrecyclable, dumped as a general waste                        |
| Air cap  | 8,000m <sup>2</sup>  | Recyclable, but foreign materials like tape need to be removed |

### After

| Category               | Annual consumption   | Remark  |
|------------------------|----------------------|---|
| Green paper tape       | 3,498,960m           | Water-soluble materials, recyclable                                   |
| White paper slip sheet | 37,378m <sup>2</sup> | Recyclable, when crumpling it, available to even replace inner buffer |
| Embossing paper buffer | 76,772m <sup>2</sup> | Applying recyclable paper materials, recyclable                       |

# SOCIAL

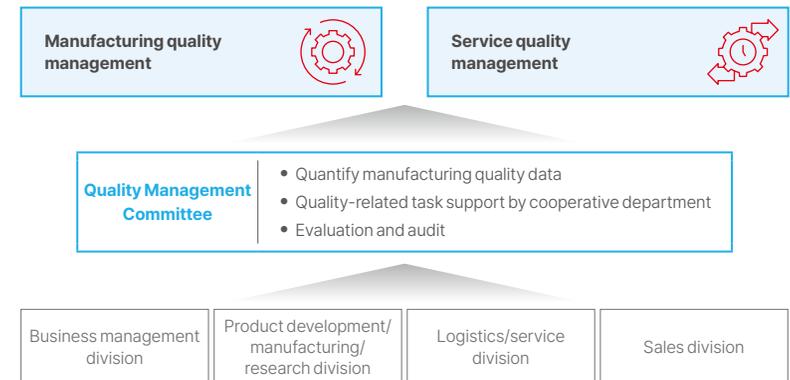


## Product Innovation and Customer Satisfaction

### Quality Management

Our quality policy is to “realize customer satisfaction by providing reasonable price to customers while meeting the necessary level of quality at a time when customers need products and services.” Under this policy, we pursue R&D and production by prioritizing customers’ safety and build the Quality Management System based on the operation of the Quality Management Committee. Starting the certificate of ISO9001/14001 Chungju Plant and Anseong Plant obtained in 2003 and 2005, we established a quality management process. Also, our company obtained KOLAS and GREENGUARD and keep working to realize quality management by completing the renewal of the certificates in the past two years. On top of that, since 2018, we have operated the Quality Management Committee to pursue a strategy for customer satisfaction and established a new organization for brand quality management at a point of customer interaction to proactively engage in quality management activities and to prevent quality issues from affecting the level of product satisfaction.

### Quality Management Process



Manufacturing quality management



Service quality management



Quality Management Committee

- Quantify manufacturing quality data
- Quality-related task support by cooperative department
- Evaluation and audit

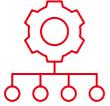
Business management division

Product development/  
manufacturing/  
research division

Logistics/service division

Sales division

## Quality Management System



### Strengthening quality-first process at the development stage

- Run PM system to strengthen prior verification of quality for customized furniture and new products
- Strengthen process stability by establishing a process of developing new products to prevent work omission and improve the product development capability



### Strengthening the competitiveness of manufacturing quality

- Realize an AI and quality data based smart factory (design→order→production→release)
- Achieve "simplicity, standardization, specialization" in every stage from design to customer to advance the capability of manufacturing quality



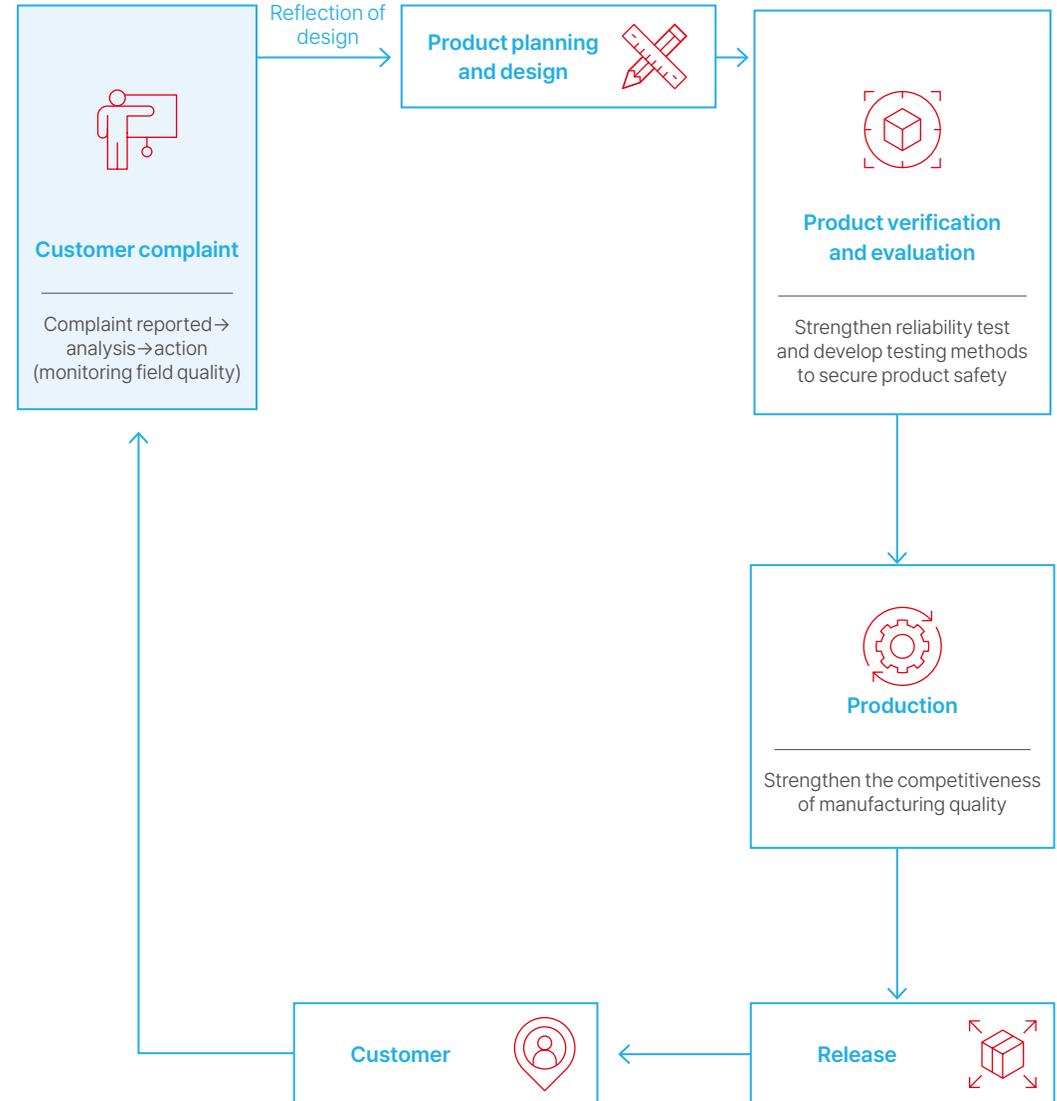
### Establishing a quality management system based on reliability

- Conduct a reliability test with the standard of BIFMA\*\* in FURSYS lab, recognized by KOLAS\* before sales to secure a reliable quality level within the quality warranty periods
- Continuously develop a reliability testing method for product verification

\*KOLAS (Korea Laboratory Accreditation Scheme)

\*\*BIFMA (Business and Institutional Furniture Manufacturer's Association)

## Quality Management Process

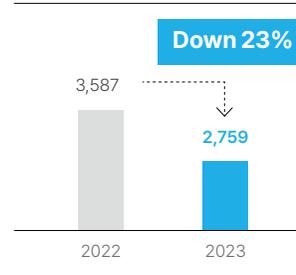


## Quality Management and Assurance

FURSYS has kept discovering and improving a blind spot for quality through the Quality Management Committee. Thanks to this effort, the number of cases that require support and simple actions decreased by 23% from 3,587 in 2022 to 2,759 in 2023.

Our quality management is aimed at finding and addressing the root cause behind quality issues. The creak of the office chair used to be treated by applying lubricant, but now we completely removed a root cause, rhymmer. Like so, we've continued to work hard to eradicate the fundamental root cause behind quality issues.

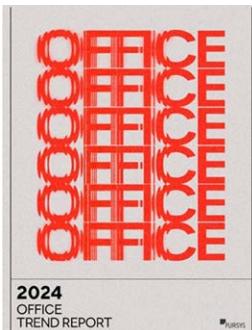
No. of cases that require support and simple actions



## Sharing Know-Hows to Create office environment

FURSYS has shared know-how accumulated when creating our office environment under our mission to enable more people to live a quality life in various living environments. Over the past 40 years, we've confirmed that it is an "office environment" that holds a company's native culture while leading the improvement of office environments. We've constantly shared our know-how to create a good office environment, which is the foundation of a company's growth and development through books and reports and FURSYS is the only company that actively shares its knowledge asset among the furniture industry. FURSYS truly hopes that our knowledge asset can help society and people live in not a mere space, but a happy "space" where they can dream about a better life.

2024 Office Trend Report



Office Environment Creates a Culture Vol.1 Beginning of office environment design



Office Environment Creates a Culture Vol.2 Changing Office Life



Office Environment Magazine Vol.7



## BEST PRACTICE



## Voluntary Recall

FURSYS has proactively and voluntarily recalled products to secure the safety of customers. The company is constantly monitoring the complaints of domestic and foreign customers and improving our safety-related quality. In 2003, since one layer of formed plywood of CH0021 fell off, a total of 1,238 products were all recalled voluntarily. Going forward, we promise to manage quality thoroughly so that customers are satisfied with our products and to become a reliable company through A/S service guarantee and user experiences.

Voluntary recall due to a layer of formed plywood fallen off



# Supply Chain Management

## Status of Suppliers

FURSYS has established and operated different supply networks by different business sites, considering that each business site handles different products and services. Anseong Plant in charge of steel products and Chungju Plant in charge of wood products have a supply chain with 182 suppliers and 197 suppliers, respectively. Also, a total of 220 suppliers are partners in our distribution network, including agency.

(As of April 2024)

| Category      | Type                          | No. of Suppliers (newly opened) | Management Method           |
|---------------|-------------------------------|---------------------------------|-----------------------------|
| HQ            | Distribution network (agency) | 220                             | Education and other methods |
| Anseong Plant | Supplier                      | 182                             | Diagnosis of supplier       |
| Chungju Plant | Supplier                      | 197                             | Diagnosis of supplier       |

## Supplier evaluation checklist

| Category               | Content  |
|------------------------|--|
| Quality                | Pass ratio in quality inspection, defect improvement level |
| Delivery date          | Compliance ratio of delivery date                          |
| Level of cooperation   | Response level in case of emergency                        |
| Representative         | Commitment, management ability                             |
| Quality management     | Whether to have inspection facilities and inspectors       |
| Environment management | 5S methodology (Sort, Set, Shine, Standardize, Sustain)    |

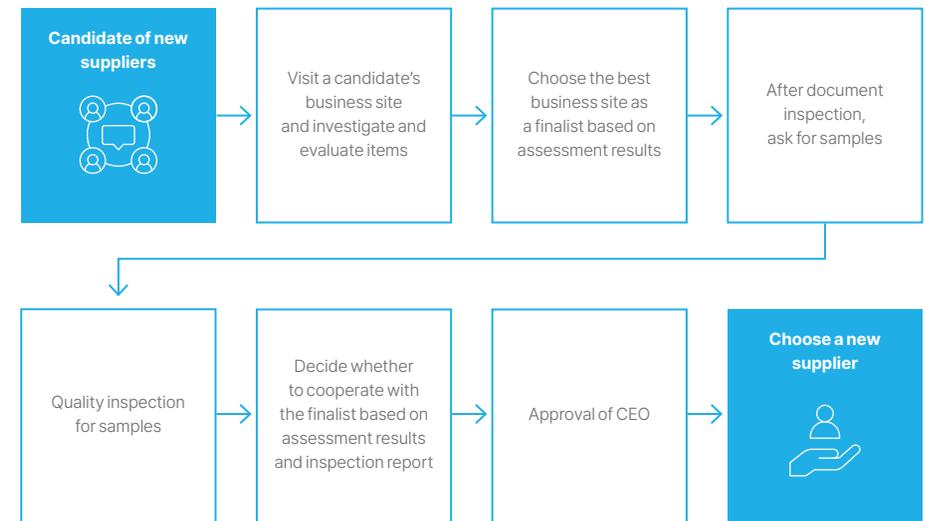
## Supplier Assessment

FURSYS has operated a verification system for the supply chain to have a stable supply chain through supplier assessment. Before signing a contract with a new supplier, we conduct a supplier assessment to verify whether a supplier is suitable for our supply chain and constantly manage our supply chain by evaluating existing suppliers regularly.

Our checklist includes items including quality, delivery date, level of cooperation, representative, quality management, environment management, etc. This checklist is used when assessing suppliers. If a supplier gets high scores in the assessment, it is selected as a candidate of our new supplier. If the candidate passes a document inspection, he will be asked to send a sample. After checking the quality of the sample, purchasing personnel make a final decision based on the assessment results and inspection report. If the candidate is judged to be appropriate to be part of our supply chain, it will be approved by the CEO and finally registered.

\* Existing suppliers should be subject to assessment depending on the amount of trade and trade frequency, and where necessary, go through documents and on-site evaluation. If everything is clear, they are approved and the above content should be shared to help the relevant teams refer to it.

## Supplier evaluation process



## Fair Trade

FURSYS has pursued fair trade, considering the probability of its suppliers' competitive edge remaining sharp and the market situation including the supply and demand of raw materials and other subsidiary materials, and ultimately creating a sustainable supply chain and the market economy. To make it possible, the company has introduced a system of payment sliding when transacting with suppliers.

The payment sliding is a system of price changes of the raw materials being reflected in the unit cost of delivery based on negotiation between the contractor and sub-contractor when there is a change in the price of raw materials during the contract period. In April 2024, we signed the delivery payment sliding contract with all contractual partners. The number of suppliers who signed the sliding contract is 35 in the Anseong Plant and 156 in the Chungju Plant. The company will promise to pursue coexistence and mutual growth by providing the necessary support for suppliers to grow financially.

## Supplier Management Policy

|  |   |   |
|--|---|---|
|  <p><b>Fair Trade</b></p> <p>Conduct the whole process of purchasing from selection of suppliers, price, assessment, etc. transparently and fairly</p> |  <p><b>Trust</b></p> <p>Build a partnership based on trust in trade</p> |  <p><b>Competitive Power</b></p> <p>Choose a supplier equipped with strong competitive edges in all areas</p> |
|--|---|---|

## BEST PRACTICE

### Mutual Growth with Agency through Win-Win Fund

In December 2023, FURSYS signed a "Win-Win Fund MOU" worth KRW 10 billion with Shinhan Bank to promote mutual growth and cooperation with agencies. This MOU is designed to promote the liquidity necessary to operate a distribution network for FURSYS agencies and to realize a win-win for both HQ and distribution networks through stable business management. As of April 2024, the number of agencies using a Win-Win fund is 21. Additionally, the company conducted an activity for coexistence with a transition to consignment system as a momentum for 163 owners of agencies and 214 employees from March 18 to 28 in 2024. We provided education about how to use "CONNECT Plus", the ordering system of FURSYS, to help them understand a change in the policy of managing a distribution network and seek various ways to enhance competitiveness.



Win-Win fund MOU



Education about a transition to a consignment system



#### 2023 FURSYS Education Program for Distribution Network

| Name of education           | Content   |
|-----------------------------|---|
| Sales Turning Point         | To improve an organization across the distribution network and enhance employees' capabilities                                    |
| Business Management Academy | To enhance the capabilities of representatives of distribution network managing organization                                      |
| 2023 Prototype Education    | To build a sales infrastructure across the distribution network by providing education about new products                         |
| 3D Space Planner            | To cultivate expertise in the distribution network by providing education about a tool for new product proposal                   |
| Consignment System          | To build a sales infrastructure by introducing changing sales approaches and providing system education                           |
| OTR (Office Trend Report)   | To enhance the capabilities of employees across the distribution network by providing an integrated education about the trend     |
| Company Move Service        | To enhance the capabilities of employees across the distribution network by providing education about new services (company move) |

# Employee Management

## Ideal Talent

FURSYS's mission is to "be one through cooperation by knowing well and living well." To hire talent who can make this mission into reality, we've established the following "Ideal Talent." Our employees are growing into specialists with exploration, passion, and altruism, which are values required to be an ideal talent for our company.

|   |   |  |
|---|---|--|
| <br><b>Exploration</b>  | <br><b>Passion</b>  | <br><b>Altruism</b>  |
| <p>Accurately studying the situation and its hidden side with a critical mind toward work-related matters</p> <p>Presenting a positive change through creative ideas and insightful judgement</p> | <p>Setting a higher goal and achieving it based on persistence, diligence and strong responsibility</p> | <p>Preceding private obligations by public affairs</p> <p>Prioritizing public interest over private interest</p> |

## Talent Management System

FURSYS has a personnel evaluation system to support the growth of employees. Our HR policy focuses on evaluating the current performance and a comprehensive capability demonstrated in producing results. In that sense, our talent management system is designed to create a virtuous cycle of making individual growth lead to corporate growth based on the personnel evaluation system. The company's personnel evaluation system is divided into two; performance review and capability feedback. The performance review is conducted twice a year, every six months. It focuses on a team goal linked with an organization goal, individual goal, and performance evaluation for management. The capability feedback is conducted through 360 degree evaluation of capabilities demonstrated in the company, including job performance and a method of generating performance every second half of the year. This evaluation allows us to forecast employees' performance and provide constructive advice to nurture talent and help employees grow. Recognizing the importance of employees' competency-building and growth, we're well aware of the gravity of feedback; therefore, we've created an environment where employees can demonstrate and improve their capabilities at work.

### Performance Review

|           |  |
|-----------|--|
| Frequency | Twice a year (first half/ second half of the year)   |
| Content   | Team goal linked with an organization goal, individual goal, performance evaluation for management |
| Purpose   | To make employees introspect voluntarily and set a plan for work development                       |
| Process   |  |

### Competency Feedback (360 degree evaluation)

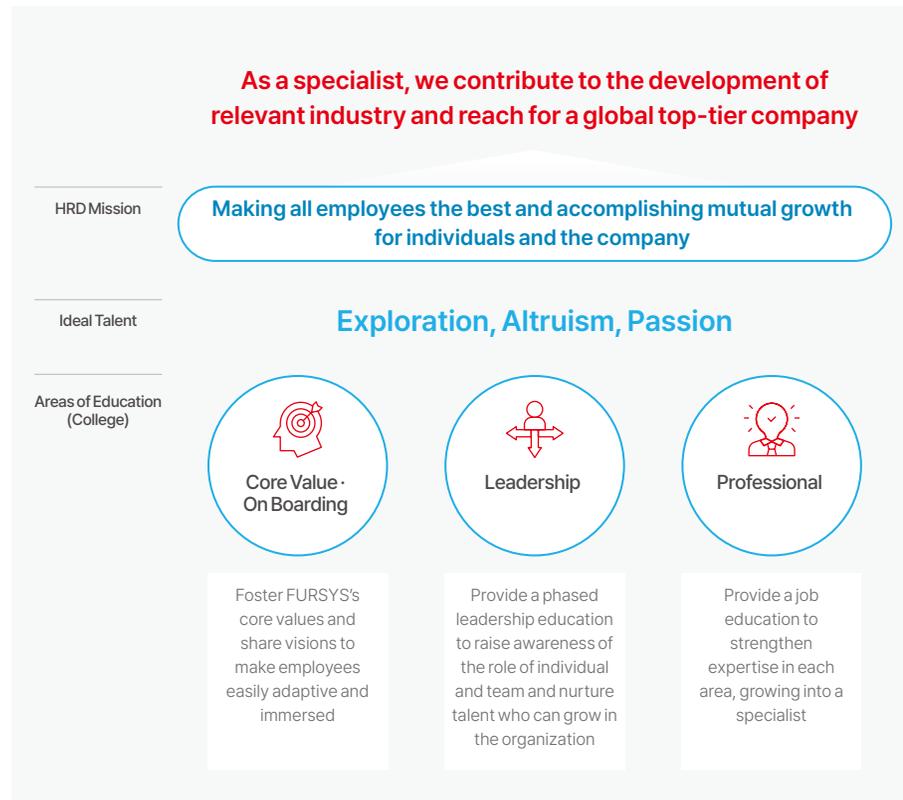
|           |   |
|-----------|---|
| Frequency | Once a year (second half of the year)   |
| Content   | 360 degree evaluation on capabilities demonstrated in the company, including job performance and a method of generating performance |
| Purpose   | To forecast employees' performance and provide constructive advice to nurture talent and help employees grow                        |

|                 |   |  |                         |
|-----------------|---|--|-------------------------|
| <b>Assessor</b> | <b>Team Member</b>  | <b>Team Leader</b>   | <b>Executive</b>        |
| Appraisee       | Peer team member (inside and outside of team), senior position (Team leader, executive) | Responsible team member, peer team leader, senior position (executive) | Responsible team leader |

## Talent Training Program-FGU

FURSYS has run FURSYS GROUP UNIVERSITY (FGU), an integrated education system and platform to help employees develop their self-directed capabilities and grow. FGU's education covers FURSYS's core values, vision, leadership, and expertise, which are all aimed at making all employees the best and accomplishing mutual growth for individuals and the company.

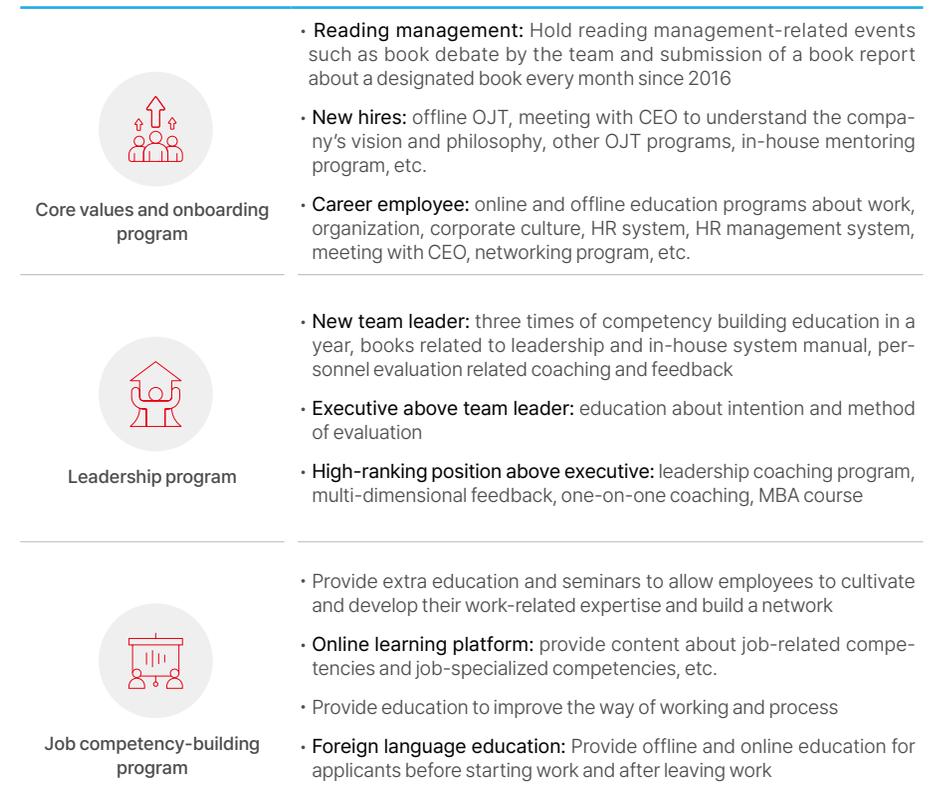
### FURSYS Group University (FGU)



## Talent Training Program-FURSYS Group College

FURSYS has run three colleges including "core values and onboarding, leadership program, and job competency building program" by seniority, position, and purpose of education. What the "core values and onboarding program" emphasizes is a reading management course. Since 2016, the company has implemented reading management where all education programs are based on reading. Based on this culture, the company encourages people to cultivate the insight of humanities and create a voluntary learning environment.

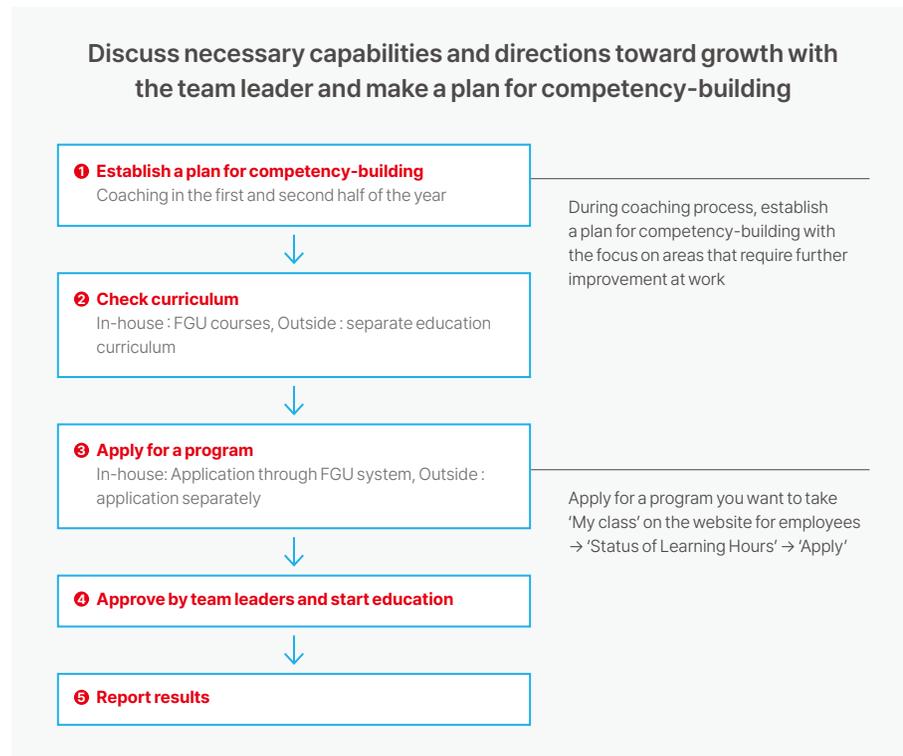
### FURSYS Group College



## Talent Training Program-Learning Hours

We've encouraged employees to grow further by setting a mandatory annual learning hour. The "Learning Hours" is a education completion system allowing employees to make their study plan and engage in learning to grow. In the process of making a study plan to cultivate their capabilities, employees are given an opportunity to improve their expertise and lead studying, which will ultimately realize the company's core value, and mutual growth for the company and individuals. In Learning Hours, team members discuss with their team leader what capabilities are necessary for work and how to develop their expertise. And based on this discussion, they set up their plan and take education.

### FGU Program Process

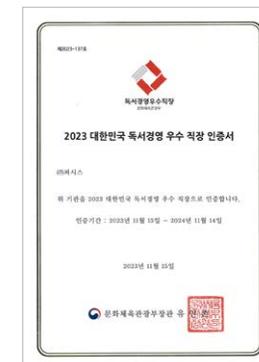


## Organizational Culture

FURSYS has made efforts to encourage employees to become leaders and immersed in their work based on a culture of mutual respect. To that end, we run various programs to create an organizational culture for mutual growth based on respectful minds between employees and individuals.

To lay the foundation for employees to grow, the company has run various systems including a mentoring program, education program, in-house club support, CA activity, etc., which are to internalize a philosophy of mutual growth for individuals and the company. In particular, since 2016, as part of an effort to introduce reading management, a book debate program is implemented to cultivate employees' knowledge of humanities and create a voluntary learning environment. The book debate program has significantly contributed to having a culture of reading rooted in our company and enabled the company to be recognized as an excellent company in reading management by the Ministry of Culture, Sports and Tourism in 2020 and 2023 for creating a corporate culture based on reading.

Certificate of an excellent company in reading management



Book debate



**Organizational Culture**

| Category                  | Content   |
|---------------------------|---|
| Monthly assembly          | Discussing various topics including communication with all employees, business performance, issue by brand, working methods, social contributions, etc. |
| Brand day                 | Communicating with employees from each brand  |
| Townhall meeting          | Two-way communication between executives by sector and employees  |
| Culture Agent (CA)        | Selecting CA to create a virtuous cycle of corporate culture and communicate between employees and executives   |
| 'Mr./Mrs.' title of honor | Using the title of honor, "Mr./Mrs." to form a mutually respectful culture and promote free communication.  |
| Flexible seats            | Running smart office based on autonomy and responsibility   |
| Book debate               | 8 times a year, rewarding employees who make a book report every month  |
| Mentoring                 | Running mentoring program and buddy program for a stable onboarding   |
| In-house club             | Supporting the cost of activities to help run various in-house clubs  |



**BEST PRACTICE**



**Creating an Organizational Culture Valuing Communication to Make a Better Corporate Culture**

A survey on organizational commitment conducted in 2021 was aimed at figuring out employees' demand for communication and showed that there must be active communication across generations since the pandemic has changed into endemic. Based on this survey result, we have introduced the CA system to revitalize communication. It is the responsibility of our CA to create a virtuous cycle in the organizational culture by serving as an agile personnel as well as a channel of communication permanently in each sector.

The company selected 7 CAs in March 2023 among employees with three to seven years' seniority who can serve as a channel for communication. Those selected CA lead a townhall meeting twice a year and in-house mingling event and other events to create a culture based on communication according to the CA Guidelines.

**FURSYS CA (Culture Agent) Principles**



Serving as a bridge for two-way communication



Constantly improving an organization culture of each sector



Building a virtuous system for an organizational culture  
Diagnosis → Drawing up → Execution → Support



## Employees Welfare and Quality of Life

FURSYS takes care of enhancing our employees' happiness and quality of life. A company's growth begins with individual employee's happiness. We're confident that a company can grow only when happy employees unveil their potential in the office environment. To enhance our employees' quality of life, FURSYS has run various welfare programs. For example, since May 2022, a flexible working hour has been introduced to help our employees strike a balance between work and life.

### Welfare System

| Item                  | Content  |
|-----------------------|--|
| Children's tuition    | Granting children's tuition and admission money gift   |
| Childbirth money gift | Granting childbirth money gift   |
| Money gift            | Granting KRW 500,000 to 3 million depending on congratulations condolences, working on a "No give and No take" campaign  |
| Condominium fee       | Supporting the fee of condominiums affiliated with the company (Oak Valley Condominium, SONO Hotel & Resort, etc.)   |
| Health program        | Supporting the cost of physical examination and influenza vaccination  |
| Furniture discount    | Offering furniture at a discounted price   |
| Installment savings   | For employees who buy installment savings with high interest planned with a commercial bank, providing a certain amount of money as same as interests when the savings expire. |
| Birthday money gift   | Granting birthday money gift   |
| Flexible working hour | Allowing employees to adjust commuting time flexibly for reasons like pregnancy, childrearing, health, long-range commuting, self-improvement, etc.                            |

## Human Rights Management

FURSYS wants to become a global top-tier company where employees can realize their dreams, sustainable value is provided, and corporate social responsibilities are fulfilled. Under the belief that a respectful corporate culture makes everything possible, the company developed a guideline to respect employees. We're well aware of the need to have such guidelines and faithfully comply with them. We, FURSYS, recommend not just employees but also all stakeholders including suppliers mutually respect each other and comply with this guideline.

### Status of Education for Prevention of Sexual Harassment

| Category                                      | 2021                             | 2022 | 2023 |     |
|---|----------------------------------|------|------|-----|
| Education for Prevention of Sexual Harassment | No. of participants (Persons)    | 211  | 216  | 220 |
|   | Training hours per person (time) | 1    | 1    | 1   |

Education about guideline to respect employee (Chungju Plant)



Education about guideline to respect employee (Anseong Plant)



## Coexisting Labor Relations

FURSYS has introduced a labor-management council for each business site; HQ, Anseong Plant, and Chungju Plant. The council consists of three employer committee members and three employee committee members and holds a regular meeting every quarter. The council discusses several agendas including improvement of the office environment, employee welfare, training support, health support for employees, etc., and makes decisions. Matters discussed in the council are given enough time to be shared with employees before execution.

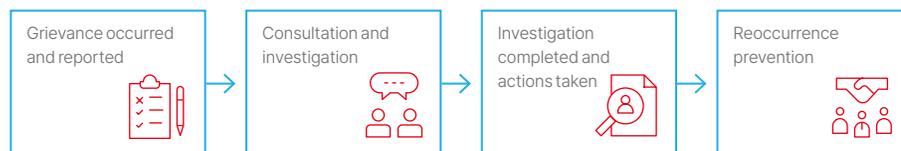
### Status of Operation of Labor-Management Council

| Category                                | 2021            | 2022            | 2023            |
|---|-----------------|-----------------|-----------------|
| HQ (No./participation ratio)            | Four times/100% | Four times/100% | Four times/100% |
| Anseong Plant (No./participation ratio) | Four times/100% | Four times/100% | Four times/100% |
| Chungju Plant (No./participation ratio) | Four times/100% | Four times/100% | Four times/100% |

## Employees Grievance Handling

FURSYS has worked hard to actively address the grievances that our employees suffer while at work. When a grievance occurs, employees may report it through phone calls, chat, e-mail, etc. Right after reporting it, consultation is provided to figure out and investigate what happened. If the grievance turns out to be true, it must be handled through a certain procedure in accordance with the employment rules. The result is notified in written form to the requestor and the case must be completed within 10 days from when the case is reported. Additionally, we'd like to respect human rights of employees by taking improvement actions to prevent the same case from occurring again.

### Grievance Handling



## FURSYS Guideline to Respect Employee



### Employees' obligation to mutually respect each other

FURSYS employees are responsible for recognizing the gravity of sexual violence and office environment bullying and following the basic norms to prevent such legally and socially unacceptable behaviors. We, FURSYS, always make efforts to create a healthy corporate culture and recognize the below content.

- We recognize that what constitutes sexual harassment has nothing to do with an agent's intention.
- If your counterpart expresses displeasure or intention to refuse, you must stop immediately and apologize.
- We recognize that inferring a case in or outside the office, blaming, accusation for defamation or false charge constitutes secondary victimization.
- When recognizing the fact of sexual harassment and office environment bullying, FURSYS employees must not commit secondary victimization.
- If you are a perpetrator of sexual harassment and office environment bullying, you must bear legal-social-individual disadvantages and might get fired after going through a disciplinary committee according to Chapter 11 Reward and Penalty from the Employment Regulations.



### Guidelines for practice

#### Prohibition of sexual behaviors making people uncomfortable

- Physical contact between in-house employees is prohibited.
- Verbal and non-verbal behavior making employees uncomfortable and unpleasant are prohibited.
- One-on-one activities making employees uncomfortable are prohibited.

#### Prohibition of office environment bullying that makes people uncomfortable

- Verbal and non-verbal behaviors imposing pain and worsening office environment are prohibited.

# Occupational Safety and Health

## Safety and Health Management Policy

Under Article 15 of the Occupational Safety and Health Act, FURSYS is committed to implementing safety and health management to create a safe and healthy working environment and systematically operate and apply a safety and health management system to prevent industrial disasters. We've made a lot of efforts to remove any hazardous risk factor preemptively by securing, organizing, and executing a budget for manpower, facilities, and equipment related to safety and health and laying the procedures of work process. Based on this effort, we want to create an office environment where anyone can work safely by thoroughly complying with safety and health-related laws and introducing a safety culture in business sites. We put up a slogan, "Creating an office environment prioritizing our employees' life and safety" as our strategy for safety management in 2024 and set up a goal of "Establishing a safety management system and achieving zero-accident." To accomplish that goal, we've made and executed three major tasks and 13 sub-action plans.

### Safety Management Strategy



### Safety and Health Management Guidance

Based on the philosophy of FURSYS Co., Ltd., "Respect for Humans", all employees must prioritize safety and health when making a managerial decision making to create a disaster-free industrial society and faithfully comply with the below safety and health guidance to create a safe and clean office environment for our employee's health and happiness by engaging in improvement and prevention activities in our fields.

- When developing all products, machines, processes, and technology, safety and health must be considered and prioritized in all areas of business activities
- All employees must thoroughly comply with safety and health-related laws and regulations.
- The company must encourage employees to engage in safety and health management by helping them raise safety awareness, cultivate the relevant ability, and provide appropriate resources to improve safety and health.
- The company must continue to engage in improvement actions by establishing a goal and action plans to prevent any safety and health risks.
- The safety and health guidance and goals must be shared with all employees and remain open to stakeholders to maintain a transparent disclosure of safety and health management through a documentation system.

CEO of FURSYS Co., Ltd. **Gwangho Park**

ISO 45001 Certificate



Safety Management Meeting

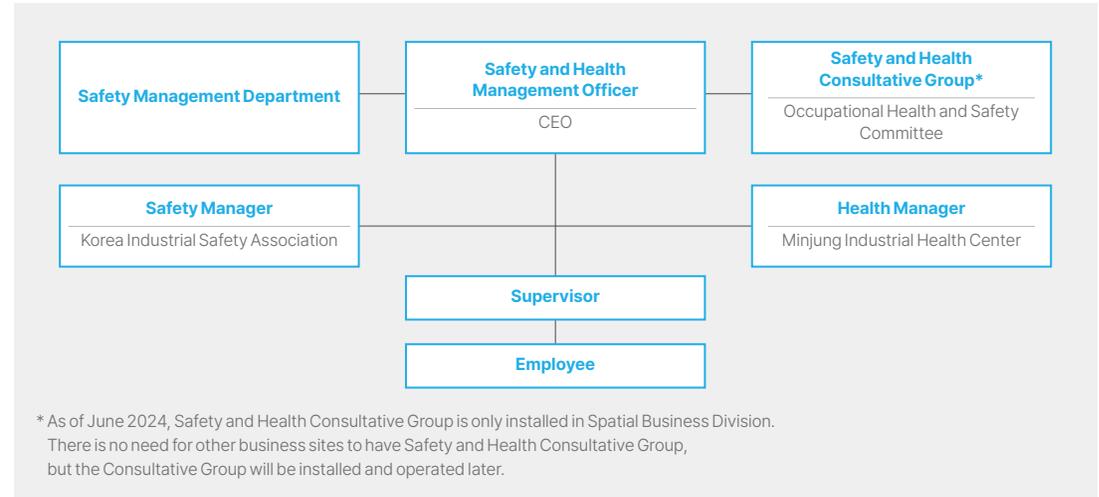


## Employee Safety and Health Governance

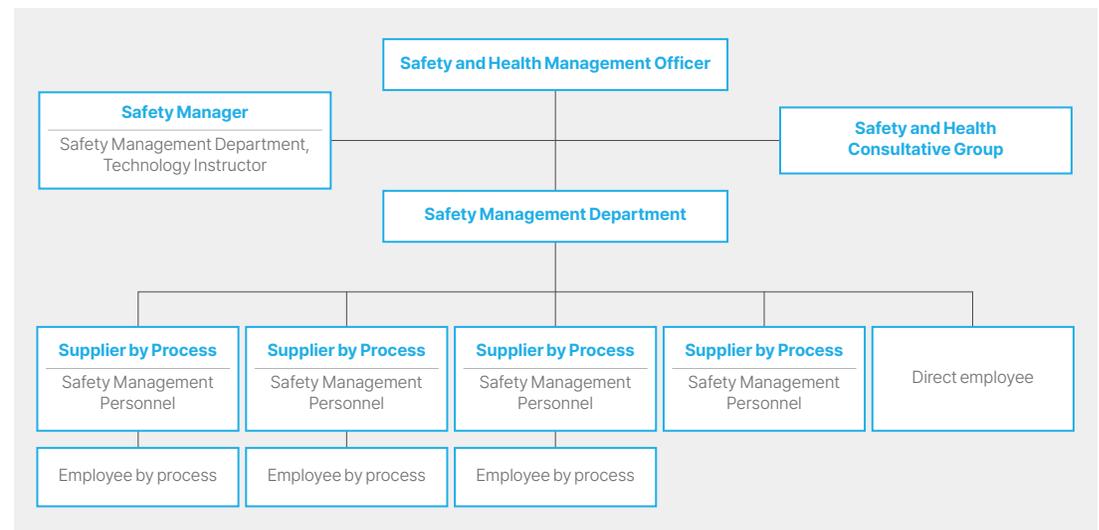
FURSYS designates the CEO as a Safety and Health Management Officer, and establishes the safety and health management system, which consists of the Safety Management Department and the Safety and Health Consultative Group. We're also pursuing a policy of internalizing safety and health management for each unit including on-site safety and health management system to make sure that safety and health management is well reflected in all business sites of FURSYS.

The company plans to establish the Occupational Health and Safety Committee where safety managers and health managers are involved in 2024 to help employees discuss and decide material matters regarding safety and health necessary for autonomous activities to prevent disasters quarterly. Additionally, regular safety and health education is provided twice a year for office employees and non-office workers should complete 12 hours and 24 hours of education per year respectively. Supervisors, safety and health management officers, and safety managers should take 16 hours, 6 hours, and 34 hours of job training a year, each.

### Company-wide safety and health management system



### On-site safety and health management system



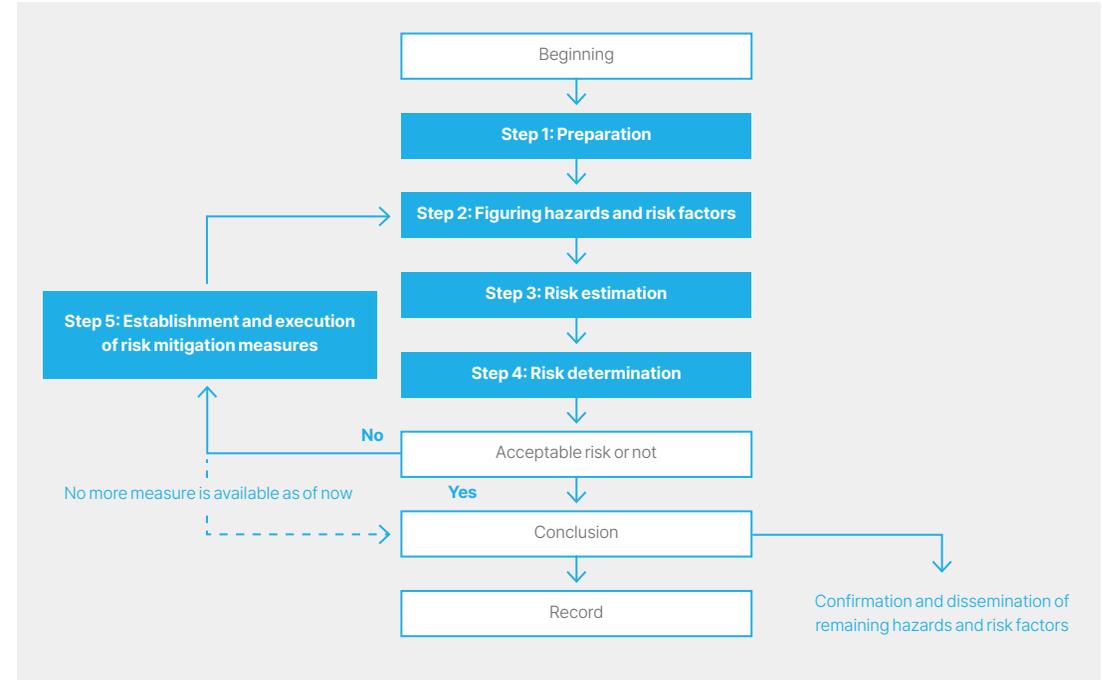
## Risk Assessment and Safety and Health Evaluation

Since 2014, FURSYS's Chungju Plant has conducted risk assessment to take proactive actions to mitigate risk after figuring out company-wide hazards and risk factors, estimating and determining risks. The scope of risk assessment is facilities related to all process performed by the company as well as matters having safety and health related impact on all stakeholders including supplier employees and visitors. Every year, a regular assessment is conducted, and when a business site is required to be changed or serious industrial accidents or disasters occur. And if there is a need for building and process facilities, etc. to be repaired or renovated, an irregular assessment is conducted.

In 2023, FURSYS's Anseong Plant categorized 45 chemicals and hazards at the business site into 6 factors including mechanical-electrical-chemical-biological-work-related-working environment factors and assessed risks. If the level of risk turns out to be normal or higher, a mitigation measure is established and conducted. Also, a monthly safety and health meeting is held to report safety and management inspection and major high-risk work plans.

The company encourages employees to frequently report any safety and health related factors in the production process on top of the regular risk assessment. The results of "Oops! Accident Exploration Activity" are organized monthly and yearly and the reporter is rewarded.

### Risk Assessment Process



Safety and Health Meeting (Anseong Plant)



Certificate of Risk Assessment



Risk Assessment Meeting (Chungju Plant)



## Safety and Health Education and Support

FURSYS's Chungju Plant has provided support to help employees understand and comply with the Occupational Safety and Health Act and Industrial Accident Compensation Insurance by conducting a regular safety education. This support encourages employees to prevent industrial disasters and create a clean office environment. The safety and health education conducted in January 2024 covered the purpose and major content of the Occupational Safety and Health Act, understanding of Industrial Accident Compensation Insurance, and examples of industrial disasters, etc. with 32 employees participated.

Additionally, the company's Anseong Plant and Chungju Plant carry out occupational safety and health inspection every year, delegated by the external agency to prevent serious disasters. And our Plants faithfully implement various measures to remove risk factors of on-site employees by reflecting identified improvements.

### Status of Safety and Health Management Education

| Category                            | 2021 | 2022 | 2023 |
|-------------------------------------|------|------|------|
| Participants (Persons)              | 75   | 216  | 220  |
| Education and training hours (Time) | 48   | 61   | 60   |

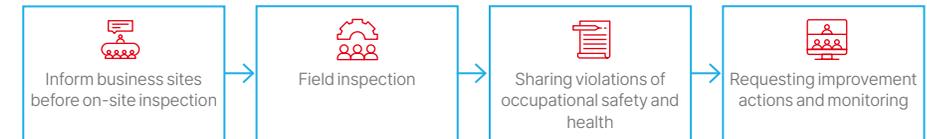
Safety and Health Education for Employee



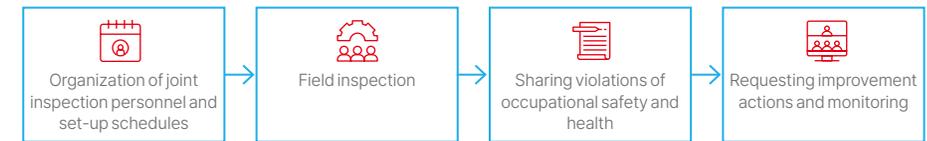
## Supplier Safety and Health Support and Environment Improvement

FURSYS has considered a safety management plan of suppliers as one of the material areas when establishing the annual safety and health management plan. The safety and health consultative group meeting is held every month, which consists of the company's safety and health officer and a supplier's safety and health officer, and the safety personnel carries out a walk-around inspection for the supplier business site every week. Also, the company's officer, a supplier's officer, the company and supplier's employee are involved in a joint inspection team to conduct a joint inspection every quarter. Additionally, we, FURSYS, conduct assessment on the level of safety management when selecting a supplier. A company above a certain level is selected as a supplier after evaluating its safety and health management system, action level, operational management level, and disaster level, etc.

### Walk-around inspection for business sites of suppliers



### Joint inspection



Regular meeting of Safety and Health Consultative Group



# Strategic Social Contribution

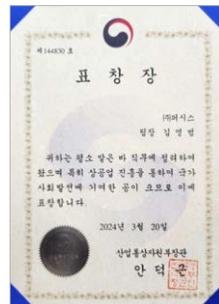
## Contribution to Economic Prosperity for Local Community

FURSYS has worked hard to accomplish the growth of the company as well as the development of local community through close cooperation with local communities where the business sites are located. On the 17th Day of Businessmen in Chungju City held in October 2023, Jae-in Kim, a team leader from FURSYS's Chungju Plant, won prize for being an exemplary manager. Hosted by Chungju City, Chungcheongbuk-do and Chungju Chamber of Commerce & Industry, the Day of Businessmen in Chungju City is held every year to create a desirable environment for companies to run business and to motivate business men based on the ordinance of treating businessmen in Chungju City with respect and facilitating business activities. Mr. Kim made a great contribution to revitalizing the local economy through purchasing materials from local companies and hiring local residents first, etc., turning the business philosophy of FURSYS into actions. With this as a momentum, FURSYS received various benefits including special support for SMEs policy funding and PR support through media. Also, celebrating the 51st Day of Trade in March 2024, the company was recognized for its contribution to the development of commerce and industry in Anseong and economic growth, allowing Young-bum Kim, a team leader of Anseong Plant to win Citation of Prime Minister of the Ministry of Trade, Industry and Energy. Going forward, the company will keep laying the foundation to promote mutual growth with the local communities and contribute to not just the company's growth but also to the local community's economic development.

Designation as a model manager on the 17th Day of Businessmen in Chungju City



Citation of Prime Minister of the Ministry of Trade, Industry and Energy at the 51st Day of Trade



## Support to Resolve Pressing Issues in Local Community

FURSYS has actively communicated with diverse stakeholders to figure out pressing issues by business site and resolve them. In November 2023, employees from Anseong Plant participated in the volunteer work to provide an opportunity to revitalize their daily life to people with developmental disability, working at Echo Vocational Training Center for People with Special Needs, located in Gongdo-eup, Anseong City. This Center has a vocational rehabilitation program to offer vocational opportunities within a protected area by helping the disabled strengthen their vocational capabilities, such as baking and simple foundry process, etc. Not only that, the company's employees engaged in the volunteer work of supporting family outing to Anseong Farm Land for people with developmental disability, who have difficulty in outdoor activities without assistance, which contributed to improving the quality of their lives. Before the volunteer program, the participants took education to promote understanding about people with developmental disability to prevent safety accidents. On top of that, our HQ supported a renovation project "Woori Dongjak Center for Independent Living" in collaboration with Indoor Architecture, School of Architecture from Soongsil University. In December 2023, employees from Chungju Plant also participated in the volunteer work of sharing 'Briquettes' to the disadvantaged, contributing to resolving pressing issues the local community face.

The volunteer work of sharing 'Briquettes' to the disadvantaged in Chungju (Chungju Plant)



The volunteer work of supporting family outing for people with developmental disability in Hope Echo Village (Anseong Plant)



## Social Contribution Strategy System

FURSYS has established and pursued a social contribution strategy system by comprehensively considering regional situation and business characteristics performed by each division. Prioritizing social contribution with the company's business characteristics reflected, the HQ in Seoul is responsible for improving an office environment for the disadvantaged in collaboration with the related institution. In case of local business sites including Anseong Plant and Chungju Plant, social contribution programs including environment protection of local community, support for the disadvantaged, and blood donation to respond to the demand for local community.

Also, as a part of social contribution, the company has conducted a campaign for blood donation at HQ in Seoul, Chungju Plant, and Anseong Plant every quarter to encourage employees to actively participate in blood donation. In November 2021, when blood supply and demand was disrupted due to COVID-19, the company donated KRW 300 million worth blood donation buses to the division of blood management from the Korean Red Cross to support a seamless blood donation activity. Like so, we will establish and put systematic social contribution strategies in place by themes including reflection of business characteristics, response to the request of direct stakeholders and social demand, fulfilling our corporate social responsibility to make a better society.

### Social Contribution Strategy System by Division

| Category              | Seoul HQ   | Anseong Plant  | Chungju Plant  |
|-----------------------|--|--|--|
| Mission               | Creating an office environment for All   | Social contribution through partnership with relevant institutions of local community and reflection of FURSYS corporate culture   | Pursuing coexistence through preserving and improving the natural environment of local community   |
| Slogan                | An Office for All  | FURSYS Anseong Plant contributing to development and mutual growth with local community  | Nature for All, FURSYS in Nature   |
| Areas                 | Empowering the disadvantaged and creating job  | Volunteer work in collaboration with the related department of local community   | Environment protection and improvement   |
| Mid-to-long-term plan | <ul style="list-style-type: none"> <li>Improving an office for the disabled/ Social Enterprise</li> <li>Announcing a universal office design guideline</li> <li>Donating to promote employment of the employment vulnerable</li> </ul> | <ul style="list-style-type: none"> <li>Provide a support the disadvantaged and targeted support for Social Enterprise</li> <li>Activity to improve the environment</li> <li>Support social contributions to the relevant institutions</li> </ul> | <ul style="list-style-type: none"> <li>Prioritize environment protection of local community as a green company</li> </ul>  |
| Major activities      | <ul style="list-style-type: none"> <li>Volunteer work for Goodwill Store</li> <li>Furniture donation and volunteer work</li> <li>Planting trees for the next generation</li> </ul>   | <ul style="list-style-type: none"> <li>Activity connected with Anseong City Volunteer Center</li> <li>Safety advertising and environmental purification activity</li> </ul>  | <ul style="list-style-type: none"> <li>Targeted environment protection activities by considering the regional and geographical characteristics</li> <li>Improving the environment of hiking trail</li> </ul> |

### Major Social Contributions

| Category      | Content  | Date                      | No. of participants (Persons) | Hours | Expense (KRW) |
|---------------|--|---------------------------|-------------------------------|-------|---------------|
| Seoul HQ      | Donating furniture and volunteer work for Purme Social Farm  | Sep. 7, 2022              | 25                            | 2     | -             |
|               | Supporting Woori Dongjak Center for Independent Living   | Nov. 28, 2023             | 8                             | 3     | 8,203,000     |
|               | Plogging in Anseong River  | Jun. 22, 2022             | 28                            | 3     | 188,000       |
| Anseong Plant | Volunteer work in Anseong Farm Land with people with developmental disability in Hope Echo Village | Nov. 6-7, 2023            | 23                            | 6     | 794,000       |
|               | Blood donation, practicing a culture of sharing life   | Jan. 19 and Nov. 17, 2023 | 31 / 30                       | 6 / 6 | -             |
| Chungju Plant | Blood donation, practicing a culture of sharing life   | Nov. 6, 2023              | 31                            | 6     | -             |
|               | Sharing 'Briquettes' to the disadvantaged  | Dec. 22, 2023             | 11                            | 6     | 2,125,000     |

Blood Donation Campaign



Furniture Donation and Volunteer for Purme Social Farm



## BEST PRACTICE



### Creation of Universal Space Woori Dongjak Center for Independent Living

Under the mission of "Creating an office environment for All", FURSYS HQ has engaged in social contribution. Following social contribution with Purme Foundation, a renovation project of Woori Dongjak Center for Independent Living located in Dongjak-gu began in collaboration with Indoor Architecture, School of Architecture from Soongsil University in 2023.

Woori Dongjak Center for Independent Living provides necessary supports including technology education, braille and walking training, nurturing personal assistants in the office environment to help the visually impaired engage with local communities and live an independent life as a social member. Since the Center has long been used by a lot of people, it was necessary to be renovated to secure storage space and stability, and in that sense, the company donated user-friendly furniture with spatial characteristics reflected while performing the overall task of planning and constructing to improve space. Considering the safety of the visually impaired, a sharp edge was touched up before painting. To provide useful design and products for the visually impaired, discontinued models were manufactured at the moment. During the renovation project of Woori Dongjak Center for Independent Living, we provided office furniture and other appliances worth KRW 8,203,000.

We will continue to engage in strategic social contribution to provide a place where people love to work to our society, and in this process, take corporate social responsibility into action.



# GOVERNANCE



## Governance

### Composition of the Board of Directors

The company's board of directors (BOD) consists of six members: three executive directors and three independent directors and the regular board meeting has been held quarterly since 2022. Following the existing regulations, the CEO served as a Chair of the BOD, but since April 2024, the relevant law was changed to let independent directors appoint the Chair. The BOD Except for matters delegated to it by the General Meeting of Shareholders by laws or the Articles of Incorporation relating to the execution of the company's management, FURSYS has the authority to make decisions on the rest of the work. Also, it is authorized to handle the laws and the Articles of Incorporation relating to the execution of the company's works including convening shareholders' meetings, appointment of the CEO and decision of a joint representative, approval of transactions between director and company, approval of financial statements, capitalization of legal reserves, subscription of debenture, etc.

### Standards and Procedures of Appointing Director

FURSYS appoints directors who are legally qualified and have rich experience and outstanding capabilities in various fields. Also, directors are appointed regardless of external factors including age, gender, academic background, region, etc. We only stick to a standard of whether they have the capabilities and experiences necessary for the job of director, whether they satisfy legal requirements, and whether they're well-suited for this job. The company designates a person who doesn't have any interest in the company and the largest shareholder as a candidate, and the designated candidate will be finally appointed after passing the BOD and shareholders' meeting.

### Board Expertise and Independence

To secure board expertise and independence, the major standard of appointment of an independent director is his or her expertise. Accordingly, FURSYS has appointed experts who have the potential to make better use of their expertise across the whole business management ranging from finance, strategy, and risk management as an independent director; therefore, the BOD consists of professional experts including a certified public accountant, former and present business persons, etc. Also, on top of the current standards of appointing independent directors, Independent Director Candidate Recommendation Committee Operation will be newly established in the second half of 2024, which will contribute to establishing the detailed standards.

### Status of the Board of Directors

| Category             | Name          | Gender | Date of birth | Position       | Main career  | Date of appointment | Date of term terminated | Area of specialty                | Remark  |
|----------------------|---------------|--------|---------------|----------------|--|---------------------|-------------------------|----------------------------------|---|
| Executive Director   | Gwangho Park  | Male   | 1963          | CEO            | Department of Architecture, Yeongnam University<br>Former) CEO of Baros<br>Present) CEO OF FURSYS  | Mar. 25, 2022       | Mar. 24, 2025           | General business management      |   |
|                      | Sangdon Bae   | Male   | 1964          | CEO            | Department of Industrial Engineering at Kyungnam University<br>Present) CEO OF FURSYS  | Mar. 25, 2022       | Mar. 24, 2025           | General manufacturing management |   |
|                      | Young-gyu Kim | Male   | 1974          | Vice president | Business administration, at Hongik University<br>Present) Head of business support and HR division at FURSYS Holdings  | Mar. 29, 2024       | Mar. 28, 2027           | Business management              |   |
| Independent Director | Daejun Kang   | Male   | 1980          | -              | CPA<br>Former) Consultant and auditor at PwC<br>Former) Adjunct professor, engineering college at Daewoo Shipbuilding & Marine Engineering<br>Former) CEO of Costory<br>Present) Representative consultant at Insight Partners | Mar. 29, 2024       | Mar. 28, 2027           | Finance                          | Chair of the Audit Committee                    |
|                      | Sangbum Kim   | Male   | 1970          | -              | Former) Head of strategic planning division at SK C&C<br>Present) CEO of Encar.com   | Mar. 29, 2024       | Mar. 28, 2027           | General business                 | Member of the Audit Committee                   |
|                      | Sangha Lee    | Male   | 1959          | -              | Former) Head of operational innovation division at Doosan Group<br>Present) CEO of BTB Investment  | Mar. 29, 2024       | Mar. 28, 2027           | General business                 | Chair of the BOD, member of the Audit Committee |

### Operation of the BOD

FURSYS provides support for the activities of the BOD and its subcommittee by assigning dedicated persons to help the operation of the BOD seamlessly. Also, whenever the BOD is held, meeting minutes and recorded tapes are recorded and stored, and any agenda resolved under the BOD is disclosed.

| Session | Date of event | Agenda   | Pass/ Reject | Participation rate (%) |
|---------|---------------|--|--------------|------------------------|
| 1       | Feb. 2, 2023  | 1) Approval of the 40th consolidated and non-consolidated financial statement<br>2) Approval of the opening of the 40th AGU<br>3) Decision on the 40th dividends<br>4) Reporting the status of the operation of the internal accounting control system | Pass         | 100                    |
| 2       | Mar. 14, 2023 | 1) Re-approval of the 40th consolidated and non-consolidated financial statement   | Pass         | 100                    |
| 3       | Jun. 27, 2023 | 1) Extension of the trust contract for acquisition of treasury stocks<br>2) Addition of business sites subordinated  | Pass         | 100                    |
| 4       | Feb. 1, 2024  | 1) Approval of the 41st consolidated and non-consolidated financial statement  | Pass         | 100                    |
| 5       | Feb. 15, 2024 | 1) Approval of the opening of the 40th AGU<br>2) Decision on the 41st dividends<br>3) Approval of the plan for safety and health in 2024<br>4) Reporting the status of the operation of the internal accounting control system                         | Pass         | 100                    |

## BEST PRACTICE



### Regulation changes to improve board independence and expertise

The Audit Committee is in operation as a subcommittee under the BOD, and from the second half of 2024, we're planning to establish the ESG Committee, Internal Transactions Committee, and Independent Director Candidate Recommendation Committee Operation step-by-step. After establishing the ESG Committee, the responsibility and authority to disclose ESG management and non-financial information preserved by the BOD will be delegated to the responsible committee and teams, and the BOD will only approve the records of ESG business activities quarterly.

Also, a regulation was changed in a way that what the CEO used to serve as the Chair of the BOD will be performed by the independent directors in April 2024. In doing so, we intend to continuously promote business engagement of independent directors by providing education for independent directors centering around business and financial status, and securing board independence.

## Board Remuneration

FURSYS provides remuneration for its BOD within the remuneration limit set by deliberation of the BOD and agreement in shareholders' meetings. The remuneration is decided by our internal regulations, taking into account the expertise, contribution, and responsibility of each director.

### 2023 Board Remuneration

| Category                | No. of members (Persons) | Total remuneration (KRW) | Average remuneration per capita (KRW) |
|-------------------------|--------------------------|--------------------------|---------------------------------------|
| Registered directors    | 2                        | 882,907,500              | 441,453,750                           |
| Audit Committee members | 3                        | 137,883,330              | 45,961,110                            |

## Audit Committee

According to the Commercial Act, FURSYS has operated the Audit Committee which is launched right under the BOD. Three independent directors are members of the Audit Committee, which is in operation on the basis of organization and authority specified in the relevant laws and the article of the Association. The Audit Committee reviews accounting-related documents including financial statement, etc., audit procedure and results of the accounting firm, and where necessary, we ask the accounting firm to review ledger related documents and examine the results.

Also, the Audit Committee receives a report from the supporting organization on the operation status of Internal Accounting Control System, which is put in place to record and disclose reliable

### Composition of Audit Committee

| Name         | Career Background                                  | Independent director or not |
|--------------|--|-----------------------------|
| Dae-jun Kang | Representative consultant at Insight Partners, CPA | Independent director        |
| Sang-bum Kim | CEO of Encar.com                                   | Independent director        |
| Sang-ha Lee  | CEO of BTB Investment                              | Independent director        |

### Status of Audit Committee

| Date of the event | Agenda  | Attendance (attendee/total) | Pass/Reject |
|-------------------|---|-----------------------------|-------------|
| 2023.02.02        | Report of operation status of Internal Accounting Control System in the fiscal year of 2022 | 3/3                         | Pass        |
| 2024.02.15        | Report of operation status of Internal Accounting Control System in the fiscal year of 2023 | 3/3                         | Pass        |

accounting information. The company's members of the Audit Committee participate in the BOD and other material meetings, and if necessary, receive reports on content deliberated from the directors and sales. Also, we can ask for additional review and improvement regarding the company's report on material matters. The Audit Committee is delegated the function of internal control on top of audit. As part of the current internal control, transactions with special stakeholders are based on the company's article of the Association. In line with this, members of the BOD who have a special interest are not allowed to exercise voting rights in the BOD. The Audit Committee is partially responsible for transaction with special stakeholders and internal transactions in the function of internal control, and this task will be transferred to the Internal Transaction Committee to be organized. Since members of the audit committee have expertise in such field, no additional training or education was provided, but where necessary, information including the status of the company, duty of directors, and major agenda, etc. is provided other than quarterly education. To support tasks including information sharing and education for members of the audit committee and meeting minutes of the Audit Committee, the supporting organization consists of two persons in charge of internal accounting management and two others in charge of supporting audit.

## Shareholder Right

FURSYS grants equal rights to all shareholders by principle of 1 voting right per share. The company has a total of 11,500,000 shares, which are common stocks, meaning that the awarded rights are all same. We guarantee shareholders' right to make proposal specified in the Commercial Act and work hard to ensure shareholders' right including letter vote and proxy voting, etc. in general shareholders' meeting. Also, we practice shareholders-oriented management by respecting the right of shareholders and stipulating transparency of business activities in the ethics regulation.

## Maximizing Shareholder Value

The company keeps growing to become a sustainable company while pursuing transparent business management to make sure that enhancing corporate value results in improving shareholders' value. We've promoting shareholders' value through repurchase of treasury stocks while allocating dividends steadily every year. The priority of FURSYS is to maximize shareholders' value from the perspective of Total Shareholder's Return (TSR).

### Status of Dividends

| Category                 | 2021  | 2022  | 2023  |
|--------------------------|-------|-------|-------|
| Dividend per share (KRW) | 1,100 | 1,100 | 1,200 |

# Risk Management

## Risk Identification

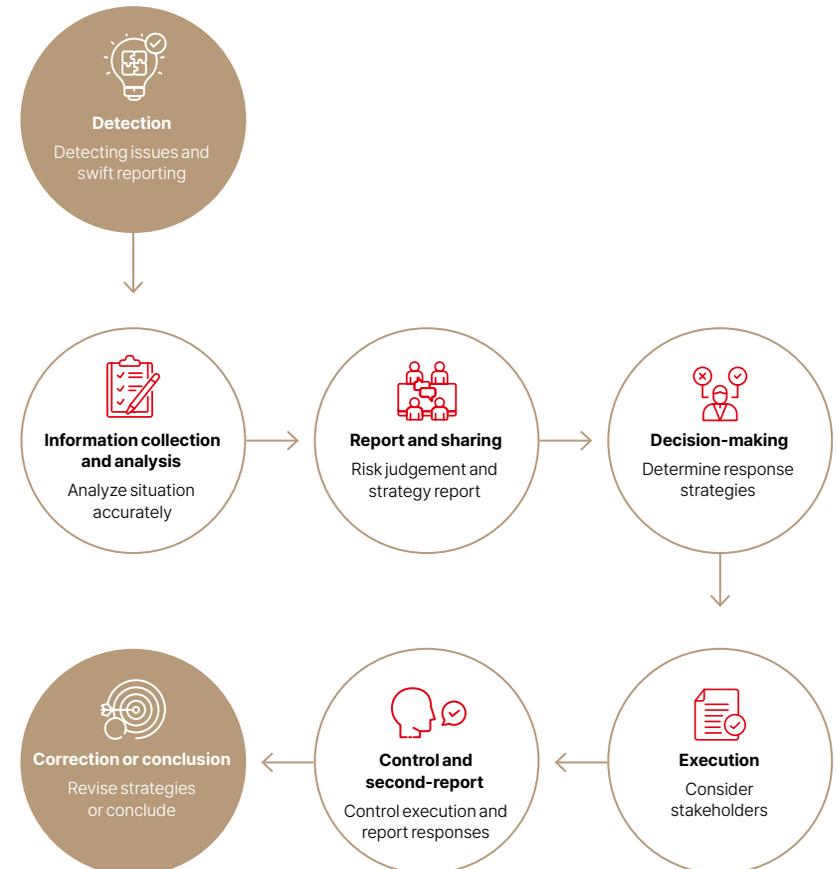
FURSYS has established and operated a risk identification process to identify and manage risks so that we can swiftly respond to changes in the domestic and international business environments. To figure out company-wide risks by each type, a standard of risk identification and classification is established. Also, we've devised a response strategy against each risk and organized a response organization. Matters classified as a material during the process of risk identification should go through reporting and approval procedure of the BOD.

| Risk                           | Type of Accident   | Strategy   | Response Division              |
|--------------------------------|--|--|--------------------------------|
| Production · construction-site | Safety accident, on-the-job accident                                       | Compliance with emergency response manuals, safety and health management guidance  | Every business division        |
| Environment                    | Violation of environmental laws  | Using 100% green E0 level lumber, EIA and environmental aspect assessment  | Lab                            |
| PR                             | Misreport, exaggerated report  | Establishment of press response process by issue   | Marketing                      |
| Quality-CS                     | Customer complaints report, claim response                                 | Response to customer complaints and claim, compliance with manual  | Quality management, CS         |
| Market · government · policy   | Intensifying market competition, changes in the relevant industrial policy | Establishment of short-term and mid-to-long-term business plans based on market analysis, complementing strategies based on monthly-quarterly performance analysis | Business strategy, CX strategy |
| Information security           | Confidentiality, customer information protection                           | Certification and evaluation of information protection management system, personal information protection manual education   | IT infrastructure              |
| Finance · accounting · tax     | Internal control accident, capital liquidity risk                          | Operation of Audit Committee   | Internal accounting management |
| Law                            | Violation of fair trade  | Regular audit, prevention of unfair transaction  | Legal team                     |
| Human right · labor            | Violation of Labor Standards Act, office environment bullying              | Compliance with legal working time, employee education and reporting channel   | HR                             |

## Risk Management Process

FURSYS has established its risk management process and responded to the whole process ranging from prior to the onset of risks to response and conclusion. Matters classified as a material one during the process of risk identification go through reporting and approval of the BOD, and response management is put in place according to what is determined by the BOD.

### Risk Management Process



# Ethical Management

## Ethical Management System

FURSYS pursues the creation of healthy social impacts by maintaining its original intention of providing good products and services based on honesty and trust and presenting visions as a leader across the industry. We have promised mutual growth and cooperation with diverse stakeholders through thorough compliance for fair value. And to make it possible, transparent and righteous management is put in place. As a reliable company that complies with basics and principles, FURSYS creates its corporate culture, encouraging all employees to participate. The company drives all employees to internalize ethical management by enacting ethical regulations to pursue ethical management and designating practice guidelines for Code of Ethics to facilitate ethical value judgment and practice while at work. We restrict accepting bribes, treats, hospitality, wrongful acts, family events, etc. when employees perform tasks through practice guidelines. Also, detailed content for the prevention of office environment sexual harassment and execution of fair work is defined, asking employees to practice them.



## Practice Guidelines for Code of Ethics

|                                  |   |   |   |                        |
|----------------------------------|---|---|---|------------------------|
| Prohibition of accepting bribery | Prohibition of treat, hospitality and unfair practice | Prohibition of accepting bribery related to family event and informing the events | Prohibition of office environment sexual harassment | Execution of fair work |
|----------------------------------|---|---|---|------------------------|

## Ethics System



**Reporting**  
In cases where Code of Ethics are violated, the employees or the company's stakeholders must report it to the ethical management team.

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**Audit**  
The company runs its audit system to review whether employees comply with the ethical management programs and figure out problems.

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**Confidentiality**  
We keep reporting from whistle-blowers secret and protect whistle-blowers not to suffer any disadvantage.

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**Education & Training**  
We continue to provide education about ethical management to help employees and all stakeholders understand and practice FURSYS's ethical management.

## Organization in Charge of Practicing Ethical Management

Currently, the legal team of FURSYS Holdings Co., Ltd. is responsible for practicing ethical management, and if there is a “reporting” case, it should be reported to the CEO or a delegate authorized by the CEO every month. The responsible team carries out investigation and audit after receiving reports and delegates the right to investigation and audit to the relevant team. Where necessary, the responsible team proceeds education and evaluation related to the practice of ethical management.

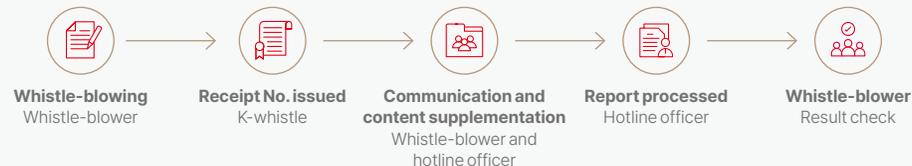
## Reporting Violations of Code of Ethics

FURSYS establishes a reporting procedure for violation of the Code of Ethics, and accordingly, any stakeholder can report or inform wrongful acts voluntarily. In the case of voluntary reporting, ① fill out the reporting statement based on the format of “voluntary report statement regarding the Code of Ethics”, ② Approval from the responsible team manager ③ Submit the reporting statement and returned goods to the ethical management organization ④ Return the goods subject to send-back. When witnessing a violation of the Code of Ethics, the case should be directly reported to the ethical management organization by utilizing reporting methods that can protect a whistle-blower’s personal information, including online reporting, etc. The server and website of the company’s ethics hotline are managed by a patented, external agency, allowing whistle-blowers not to worry about leakage of personal information. The ethical management organization may carry out investigations after receiving violations of the Code of Ethics and guidelines committed by employees, and refer them to a disciplinary committee depending on the investigation results. If no report is made even with the violations, it may be punished depending on the decision by a disciplinary committee, specified by the rule of employment. Additionally, employees and suppliers who comply with the Code of Ethics and contribute to ethical management activities may be rewarded.

**Ethical management officer** •Tel : 02-3400-6392 •Fax : 02-443-3814  
•E-mail : fursys\_compliance@fursys.com

**FURSYS Ethics Hotline Website** <https://www.kbei.org/whistle/center/?code=fursysgroup>

### Internal Ethics Hotline



## Whistle-Blower Protection

FURSYS keeps whistle-blowers and reporting content secret and takes action to protect whistle-blowers from any disadvantage. Any case reported must not be mentioned except for purposes to present ethics education and cases and even in case of education and case presentation, relevant employees and suppliers must be kept secret.

## Ethical Management Education

FURSYS provides ethical management education every year to establish ethical management, raising employees’ awareness of ethics. Practice guidelines of the Code of Ethics are provided enabling ethical judgment to be made while at work. Additionally, all employees sign a pledge of integrity, making sure that employees must practice the Code of Ethics.

### Ethical Management Education

| Category                      | 2022                          | 2023  | 2024                         |
|-------------------------------|-------------------------------|---|------------------------------|
| Content                       | Work ethics of global company | Need and action plans of ethical management | Solution for ethical dilemma |
| No. of participants (persons) | 182                           | 174   | 188                          |
| Total hours (time)            | 182                           | 174   | 188                          |

# Information Security

## Information Security System

FURSYS organizes and operates a TF team to establish domestic and international policies and lay the management system to protect information and personal information. The company's CEO is designated as a CPO, chief personal information protection officer, who will establish, review, and operate the management system and regulations. Also, we don't hire a workforce related to information technology and information protection by ourselves to be equipped with a safe and professional security system, and our all affiliates make a contract for service usage with IT companies

### Organization Chart of Information Security



## Information Security Policy

FURSYS handles personal information safely by running a network system for persons in charge of handling personal information and a leakage prevention system for personal information. Also, we block hacking coming into the server and protect information by utilizing several solutions including DB access control and data change control, network, and web firewall. Additionally, FURSYS is working hard to protect the information of stakeholders by reviewing the weaknesses of the website and carrying out mock hacking.

### Status of Mock Hacking

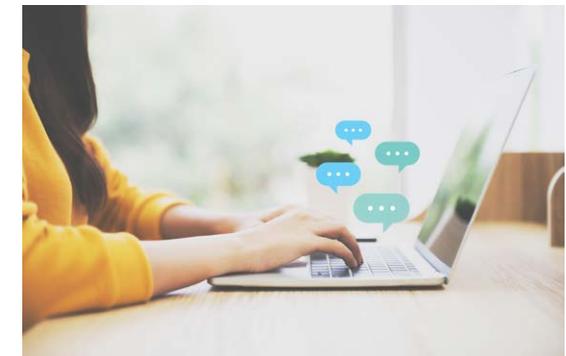
| Category           | 2021 | 2022 | 2023 |
|--------------------|------|------|------|
| Mock hacking (No.) | 0    | 1    | 1    |

## Information Security Education

FURSYS provides education regularly to raise awareness of employees on personal information protection and improve the level of information security management based on the Personal Information Protection Act and Information Security Certification. Each business site conducts information security education corresponding to the status of each site, pursuing internalization of the information security policy effectively. In December 2023, a subsidiary-wide online education about laws and cautions of personal information handling was conducted and Anseong Plant and Chungju Plant provided paper education in July and October, respectively.

### Information Security Education Status

| Category          | Method                                  | Content   | Period           | No. of participants (persons) | Participation time per person (min.) |
|-------------------|---|---|------------------|-------------------------------|--------------------------------------|
| HQ, Chungju Plant | Individual online education through FGU | <ul style="list-style-type: none"> <li>• Definition and type of personal information</li> <li>• Collection method of personal information</li> <li>• Cautions of personal information during collaboration</li> </ul>                                     | Dec. 18-22, 2023 | 168                           | 100                                  |
|                   |   | <ul style="list-style-type: none"> <li>• Compliance matters for persons in charge of handling personal information</li> <li>• Cautions when handling personal information</li> <li>• Major improvements in Personal Information Protection Act</li> </ul> | Dec. 26-29, 2023 |                               |                                      |
| Anseong Plant     | Paper                                   | <ul style="list-style-type: none"> <li>• Safe management methods of personal information</li> <li>• Legal interpretation of Personal Information Protection Act</li> </ul>  | Jul. 2023        | 40                            |                                      |



# APPENDIX

# FINANCIAL DATA

## Consolidated Statement of Financial Position

### FURSYS Co., Ltd. and its subsidiaries

(Unit: KRW)

| Category  | 2021                   | 2022                   | 2023                   |
|---|------------------------|------------------------|------------------------|
| <b>Assets</b>                                   |                        |                        |                        |
| I. Current assets                               | 280,928,999,196        | 215,710,486,345        | <b>259,188,806,121</b> |
| Cash and cashable assets                        | 107,159,949,959        | 69,387,712,482         | <b>67,454,154,615</b>  |
| Short-term other financial assets               | 118,302,239,968        | 75,930,883,873         | <b>120,850,565,011</b> |
| Trade receivables and other current receivables | 18,569,462,253         | 23,104,480,292         | <b>28,485,595,178</b>  |
| Inventory                                       | 36,597,482,057         | 46,324,959,372         | <b>41,369,075,090</b>  |
| Other current assets                            | 299,864,959            | 962,450,326            | <b>1,029,416,227</b>   |
| II. Non-current assets                          | 294,555,572,067        | 329,094,051,727        | <b>338,415,053,711</b> |
| Long-term other financial assets                | 168,433,135,991        | 163,662,715,304        | <b>185,862,876,329</b> |
| Tangible assets                                 | 62,460,445,684         | 73,962,275,803         | <b>74,585,950,162</b>  |
| Right-of-use assets                             | 1,989,961,516          | 17,221,172,294         | <b>15,365,866,911</b>  |
| Investment Assets                               | 54,033,651,873         | 57,220,189,356         | <b>53,179,391,851</b>  |
| Intangible assets                               | 4,568,011,978          | 4,599,831,808          | <b>4,557,836,895</b>   |
| Long-term other current receivables             | 2,729,241,960          | 3,217,690,408          | <b>2,481,517,072</b>   |
| Defined benefit assets                          | 341,123,065            | 2,231,121,695          | <b>798,179,970</b>     |
| Deferred corporate tax assets                   | -                      | 6,979,055,059          | <b>1,583,434,521</b>   |
| <b>Total assets</b>                             | <b>575,484,571,263</b> | <b>544,804,538,072</b> | <b>597,603,859,832</b> |

(Unit: KRW)

| Category  | 2021                   | 2022                   | 2023                    |
|---|------------------------|------------------------|-------------------------|
| <b>Liabilities</b>                                      |                        |                        |                         |
| I. Current liabilities                                  | 70,588,449,223         | 65,902,722,142         | <b>62,519,924,579</b>   |
| Trade payables and other current payables               | 46,459,467,977         | 36,103,786,539         | <b>36,300,860,265</b>   |
| Short-term borrowings                                   | -                      | 84,532,079             | <b>97,339,385</b>       |
| Current corporate tax liabilities                       | 8,174,405,725          | 10,540,605,010         | <b>6,298,500,505</b>    |
| Other current liabilities                               | 15,954,575,521         | 19,173,798,514         | <b>19,823,224,424</b>   |
| II. Non-current liabilities                             | 7,388,231,150          | 5,949,218,569          | <b>4,491,577,689</b>    |
| Other non-current liabilities                           | 2,877,170,362          | 5,949,218,569          | <b>4,491,577,689</b>    |
| <b>Total liabilities</b>                                | <b>77,976,680,373</b>  | <b>71,851,940,711</b>  | <b>67,011,502,268</b>   |
| <b>Capital</b>  |                        |                        |                         |
| I. Capital attributable to owners of the parent company | 497,507,890,890        | 472,952,597,361        | <b>530,592,357,564</b>  |
| Capital   | 14,300,000,000         | 14,300,000,000         | <b>14,300,000,000</b>   |
| Capital surplus   | 36,301,293,604         | 36,301,293,604         | <b>36,301,293,604</b>   |
| Other capital   | (63,512,210,778)       | (81,303,429,481)       | <b>(81,642,239,131)</b> |
| Accumulated other comprehensive income                  | (1,058,219,990)        | (3,245,510,462)        | <b>(1,485,926,897)</b>  |
| Retained earnings (deficit)                             | 511,477,028,054        | 506,900,243,700        | <b>563,119,229,988</b>  |
| II. Non-controlling interests                           | -                      | -                      | <b>-</b>                |
| <b>Total capital</b>                                    | <b>497,507,890,890</b> | <b>472,952,597,361</b> | <b>530,592,357,564</b>  |
| <b>Total capital and liabilities</b>                    | <b>575,484,571,263</b> | <b>544,804,538,072</b> | <b>597,603,859,832</b>  |

# FINANCIAL DATA

## Consolidated Statement of Comprehensive Income

### FURSYS Co., Ltd. and its subsidiaries

(Unit: KRW)

| Category  | 2021            | 2022            | 2023                   |
|---|-----------------|-----------------|------------------------|
| I. Sales  | 326,505,279,504 | 381,251,130,841 | <b>362,905,625,021</b> |
| II. COGS  | 236,619,692,178 | 278,206,289,135 | <b>253,235,538,649</b> |
| III. Gross profit   | 89,885,587,326  | 103,044,841,706 | <b>109,670,086,372</b> |
| IV. Selling expense and administrative expense                                  | 61,232,360,787  | 70,386,203,833  | <b>74,434,402,954</b>  |
| V. Operating profit   | 28,653,226,539  | 32,658,637,873  | <b>35,235,683,418</b>  |
| VI. Other profit  | 12,477,767,619  | 17,708,065,899  | <b>14,939,319,815</b>  |
| VII. Other loss   | 3,626,449,490   | 2,497,397,912   | <b>3,206,282,459</b>   |
| VIII. Financial profit-Others   | 21,421,756,254  | 5,187,701,199   | <b>32,066,344,903</b>  |
| IX. Financial profit – interest earnings according to effective interest method | 1,732,821,161   | 2,629,131,630   | <b>7,747,714,159</b>   |
| X. Financial cost   | 918,258,657     | 44,816,904,741  | <b>2,976,744,846</b>   |
| XI. Net income before corporate tax   | 59,740,863,426  | 10,869,233,948  | <b>83,806,034,990</b>  |
| XII. Corporate tax expense  | 14,639,998,477  | 4,992,467,535   | <b>16,910,039,523</b>  |
| XIII. Net income  | 45,100,864,949  | 5,876,766,413   | <b>66,895,995,467</b>  |
| 1. Attributable to controlling interests  | 45,100,864,949  | 5,876,766,413   | <b>66,895,995,467</b>  |
| 2. Attributable to non-controlling interests                                    | -               | -               | -                      |
| XIV. Earnings per share attributable to parent company                          |                 |                 |                        |
| Basic earnings per share  | 4,917           | 646             | <b>7,470</b>           |
| Diluted earnings per share  | 4,917           | 646             | <b>7,470</b>           |

# ESG DATA

## Economy

### Economic Performance

| Category   | Unit        | 2021   | 2022   | 2023          |
|--|-------------|--------|--------|---------------|
| Employees<br>(salary, bonus, welfare benefits, retirement benefits, training expenses) |             | 15,619 | 16,800 | <b>16,647</b> |
| Government<br>(corporate taxes, taxes and the public utilities' charges)               | KRW million | 16,040 | 6,592  | <b>18,661</b> |
| Partner companies<br>(purchase costs of raw materials and subsidiary materials)        |             | 61,360 | 61,468 | <b>47,045</b> |
| Communities and NGOs<br>(social contribution cost, association donation)               |             | 472    | 148    | <b>44</b>     |
| Shareholder and creditor<br>(propensity to dividend)*                                  | %           | 22     | 168    | <b>16</b>     |

\* There was a significant change in the net income ratio in 2022 and 2023 due to a change in the financial asset value, affecting the propensity to dividends. The total amount of dividends is on a continuous rise.

### Taxation

| Category         | Unit        | 2021    | 2022    | 2023           |
|------------------|-------------|---------|---------|----------------|
| Sales            |             | 326,505 | 381,251 | <b>362,906</b> |
| Operating income | KRW million | 28,653  | 32,658  | <b>35,235</b>  |
| Corporate tax    |             | 14,640  | 4,992   | <b>16,910</b>  |

## Environmental

### Raw Materials

| Category                 | Unit | 2021   | 2022   | 2023          |
|--------------------------|------|--------|--------|---------------|
| Raw material consumption | Ton  | 68,582 | 67,544 | <b>51,247</b> |

### GHG\*

| Category                 | Unit            | 2021                                | 2022  | 2023  |              |
|--------------------------|-----------------|-------------------------------------|-------|-------|--------------|
| Total                    | Total emissions | tCO <sub>2</sub> eq                 | 7,911 | 7,754 | <b>6,493</b> |
|                          | Intensity       | tCO <sub>2</sub> eq/<br>KRW million | 0.024 | 0.020 | <b>0.018</b> |
| Anseong Plant            | Total emissions | tCO <sub>2</sub> eq                 | 3,746 | 3,540 | <b>3,171</b> |
|                          | Intensity       | tCO <sub>2</sub> eq/<br>KRW million | 0.011 | 0.009 | <b>0.009</b> |
| Scope 2<br>Chungju Plant | Total emissions | tCO <sub>2</sub> eq                 | 4,165 | 4,214 | <b>3,322</b> |
|                          | Intensity       | tCO <sub>2</sub> eq/<br>KRW million | 0.013 | 0.011 | <b>0.009</b> |

\* No emissions from Scope1

# ESG DATA

## Environmental

### Waste Discharge

| Category                    | Unit                        | 2021  | 2022  | 2023         |
|-----------------------------|-----------------------------|-------|-------|--------------|
| Total discharge             | m <sup>3</sup>              | 3,531 | 3,311 | <b>3,821</b> |
| Anseong Plant               | Effluent                    | 3,516 | 3,216 | <b>3,774</b> |
|                             | Consignment                 | 15    | 94    | <b>47</b>    |
| Chungju Plant               | m <sup>3</sup>              | 0     | 0     | <b>0</b>     |
| Amount of discharge per KRW | m <sup>3</sup> /KRW million | 0.011 | 0.009 | <b>0.011</b> |

### Water Usage

| Category      | Unit              | 2021                        | 2022   | 2023          |
|---------------|-------------------|-----------------------------|--------|---------------|
| Total         | Water consumption | 18,983                      | 15,164 | <b>18,270</b> |
|               | Intensity         | m <sup>3</sup> /KRW million | 0.058  | 0.040         |
| Anseong Plant | Water consumption | 18,983                      | 15,164 | <b>15,394</b> |
|               | Waterwork         | 18,983                      | 15,164 | <b>15,394</b> |
|               | River water       | 0                           | 0      | <b>0</b>      |
| Chungju Plant | Water consumption | 0                           | 0      | <b>2,876</b>  |
|               | Waterwork         | 0                           | 0      | <b>2,876</b>  |
|               | River water       | 0                           | 0      | <b>0</b>      |

### Energy Consumption

| Category      | Unit               | 2021           | 2022    | 2023           |                |
|---------------|--------------------|----------------|---------|----------------|----------------|
| Total         | Energy consumption | TJ             | 79.3    | 75.3           | <b>62.9</b>    |
|               | Fuel (LNG)         | TJ             | 31.4    | 27.6           | <b>22.9</b>    |
|               | Electricity        | TJ             | 47.9    | 47.7           | <b>40.0</b>    |
|               |                    | MWh            | 13,298  | 13,240         | <b>11,108</b>  |
|               | Others             | TJ             | 0.0     | 0.0            | <b>0.0</b>     |
|               | Intensity          | TJ/KRW million | 0.00024 | 0.00020        | <b>0.00017</b> |
| Anseong Plant | Energy consumption | TJ             | 47.9    | 43.6           | <b>38.0</b>    |
|               | Fuel (LNG)         | TJ             | 31.4    | 27.6           | <b>22.9</b>    |
|               | Electricity        | TJ             | 16.5    | 16.0           | <b>15.1</b>    |
|               |                    | MWh            | 4,585   | 4,446          | <b>4,181</b>   |
|               | Others             | TJ             | 0       | 0              | <b>0</b>       |
|               | Intensity          | TJ/KRW million | 0.00015 | 0.00011        | <b>0.00010</b> |
| Chungju Plant | Energy consumption | TJ             | 31.4    | 31.7           | <b>24.9</b>    |
|               | Fuel (LNG)         | TJ             | 0.004   | 0.003          | <b>0.003</b>   |
|               | Electricity        | TJ             | 31.4    | 31.7           | <b>24.9</b>    |
|               |                    | MWh            | 8,713   | 8,793          | <b>6,927</b>   |
|               | Others             | TJ             | 0       | 0              | <b>0</b>       |
| Intensity     | TJ/KRW million     | 0.00010        | 0.00008 | <b>0.00007</b> |                |

# ESG DATA

## Environmental

### Waste Disposal

| Category       | Unit            | 2021  | 2022  | 2023         |
|----------------|-----------------|-------|-------|--------------|
| Total disposal | Ton             | 4,865 | 4,682 | <b>3,889</b> |
| Anseong Plant  | Ton             | 1,411 | 964   | <b>1,020</b> |
| Chungju Plant  | Ton             | 3,454 | 3,717 | <b>2,869</b> |
| Intensity      | Ton/KRW million | 0.015 | 0.012 | <b>0.011</b> |

### Waste Recycling

| Category              | Unit | 2021 | 2022 | 2023        |
|-----------------------|------|------|------|-------------|
| Waste recycling ratio | %    | 98.2 | 98.1 | <b>98.0</b> |
| Anseong Plant         | %    | 97.7 | 97.5 | <b>97.2</b> |
| Chungju Plant         | %    | 98.4 | 98.2 | <b>98.3</b> |

### Designated Waste

| Category                 | Unit | 2021 | 2022 | 2023       |
|--------------------------|------|------|------|------------|
| Total amount             | Ton  | 172  | 138  | <b>123</b> |
| Anseong Plant            | Ton  | 72   | 36   | <b>38</b>  |
| Chungju Plant            | Ton  | 99   | 103  | <b>86</b>  |
| Total recycled amount    | Ton  | 116  | 73   | <b>74</b>  |
| Anseong Plant            | Ton  | 72   | 36   | <b>38</b>  |
| Chungju Plant            | Ton  | 44   | 37   | <b>36</b>  |
| Total incinerated amount | Ton  | 0    | 0    | <b>0</b>   |
| Anseong Plant            | Ton  | 0    | 0    | <b>0</b>   |
| Chungju Plant            | Ton  | 0    | 0    | <b>0</b>   |
| Total amount of landfill | Ton  | 56   | 65   | <b>49</b>  |
| Anseong Plant            | Ton  | 0    | 0    | <b>0</b>   |
| Chungju Plant            | Ton  | 56   | 65   | <b>49</b>  |
| Other                    | Ton  | 0    | 0    | <b>0</b>   |
| Anseong Plant            | Ton  | 0    | 0    | <b>0</b>   |
| Chungju Plant            | Ton  | 0    | 0    | <b>0</b>   |

# ESG DATA

## Environmental

### Waste

| Category                 | Unit | 2021  | 2022  | 2023         |
|--------------------------|------|-------|-------|--------------|
| Total amount             | Ton  | 4,693 | 4,543 | <b>3,766</b> |
| Anseong Plant            | Ton  | 1,339 | 929   | <b>983</b>   |
| Chungju Plant            | Ton  | 3,354 | 3,614 | <b>2,783</b> |
| Total recycled amount    | Ton  | 4,661 | 4,519 | <b>3,738</b> |
| Anseong Plant            | Ton  | 1,306 | 905   | <b>955</b>   |
| Chungju Plant            | Ton  | 3,354 | 3,614 | <b>2,783</b> |
| Total incinerated amount | Ton  | 0     | 0     | <b>0</b>     |
| Anseong Plant            | Ton  | 0     | 0     | <b>0</b>     |
| Chungju Plant            | Ton  | 0     | 0     | <b>0</b>     |
| Total amount of landfill | Ton  | 33    | 24    | <b>28</b>    |
| Anseong Plant            | Ton  | 33    | 24    | <b>28</b>    |
| Chungju Plant            | Ton  | 0     | 0     | <b>0</b>     |
| Other                    | Ton  | 0     | 0     | <b>0</b>     |
| Anseong Plant            | Ton  | 0     | 0     | <b>0</b>     |
| Chungju Plant            | Ton  | 0     | 0     | <b>0</b>     |

### Amount of environmental pollutants

| Category                            | Unit            | 2021            | 2022      | 2023      |                  |
|-------------------------------------|-----------------|-----------------|-----------|-----------|------------------|
| Water pollutants*<br>(COD, BOD, SS) | Total emissions | Ton             | 0.3       | 0.2       | <b>0.2</b>       |
|                                     | Intensity       | Ton/KRW million | 0.0000010 | 0.0000005 | <b>0.0000007</b> |
| Air pollutants<br>(NOx, SOx, Dust)  | Total emissions | Ton             | 0.5       | 0.4       | <b>0.5</b>       |
|                                     | Intensity       | Ton/KRW million | 0.0000016 | 0.0000009 | <b>0.0000013</b> |

\* Chungju Plant regularly measures water pollutants but doesn't manage yearly-base data. Chungju Plant data is omitted from this table; therefore, starting 2024, Chungju Plant will manage yearly-base data.

### Environmental spending

| Category                  | Unit        | 2021 | 2022 | 2023      |
|---------------------------|-------------|------|------|-----------|
| Environmental investments | KRW million | 119  | 65   | <b>32</b> |
| Environmental costs       | KRW million | 63   | 43   | <b>39</b> |

### Violation of environmental laws and regulations, and fines

| Category                        | Unit | 2021 | 2022      | 2023     |
|---------------------------------|------|------|-----------|----------|
| Violation of environmental laws | No.  | 0    | 1         | <b>0</b> |
| Fines for violation             | KRW  | 0    | 1,600,000 | <b>0</b> |

# ESG DATA

## Social

### Employee

| Category                  | Details                   | Unit                    | 2021    | 2022 | 2023       |
|---------------------------|---------------------------|-------------------------|---------|------|------------|
| Total number of employees | Total number of employees | Persons                 | 219     | 225  | <b>231</b> |
|                           | Gender                    | Male                    | 132     | 138  | <b>137</b> |
|                           |                           | Female                  | 87      | 87   | <b>94</b>  |
| Details of employee       | Total number of employees | Persons                 | 219     | 225  | <b>231</b> |
|                           | Gender                    | Male                    | 132     | 138  | <b>137</b> |
|                           |                           | Female                  | 87      | 87   | <b>94</b>  |
| Employment type           | Executive                 | Persons                 | 7       | 7    | <b>7</b>   |
|                           | Full-time (monthly wage)  | Persons                 | 179     | 182  | <b>186</b> |
|                           |                           | Full-time (hourly wage) | Persons | 31   | 32         |
| Age                       | Contract or dispatched    | Persons                 | 2       | 4    | <b>5</b>   |
|                           | Under 30                  | Persons                 | 57      | 45   | <b>32</b>  |
|                           |                           | 30-49                   | Persons | 146  | 161        |
| Diversity                 | 50 and above              | Persons                 | 16      | 19   | <b>21</b>  |
|                           | Disabled                  | Persons                 | 1       | 1    | <b>0</b>   |
|                           | Young internship          | Persons                 | 0       | 0    | <b>0</b>   |
|                           | High school graduates     | Persons                 | 0       | 0    | <b>0</b>   |
|                           | Foreigner                 | Persons                 | 0       | 0    | <b>0</b>   |

| Category                   | Details                   | Unit                 | 2021    | 2022 | 2023       |            |
|----------------------------|---------------------------|----------------------|---------|------|------------|------------|
| Status of foreign employee | Total number of employees | Persons              | 187     | 189  | <b>362</b> |            |
|                            | Details                   | Local corporation    | Persons | 7    | 7          | <b>8</b>   |
|                            |                           | Dispatch to overseas | Persons | 9    | 9          | <b>9</b>   |
|                            |                           | Local recruitment    | Persons | 171  | 173        | <b>345</b> |

### New recruitment and turnover

| Category | Details                      | Unit    | 2021 | 2022 | 2023      |
|----------|------------------------------|---------|------|------|-----------|
| Hiring   | Total number of new hires    | Persons | 28   | 26   | <b>21</b> |
|          | Gender                       | Male    | 14   | 18   | <b>11</b> |
|          |                              | Female  | 14   | 8    | <b>10</b> |
| Turnover | Number of volunteer turnover | Persons | 18   | 21   | <b>14</b> |
|          | Gender                       | Male    | 12   | 9    | <b>8</b>  |
|          |                              | Female  | 6    | 12   | <b>6</b>  |
|          | Average years of service     | Years   | 8    | 9    | <b>9</b>  |

# ESG DATA

## Social

### Employee training

| Category                   |  | Unit                | 2021      | 2022       | 2023              |                   |
|----------------------------|--|---------------------|-----------|------------|-------------------|-------------------|
| Employee training          | Total number                           | Persons             | 728       | 990        | <b>974</b>        |                   |
|                            | Total hours                            | Hours               | 804       | 2,703      | <b>1,948</b>      |                   |
|                            | Total spending                         | KRW                 | 4,461,685 | 15,379,728 | <b>22,432,483</b> |                   |
|                            | Leadership training                    | No. of participants | Persons   | 9          | 5                 | <b>17</b>         |
|                            |  | Total hours         | Hours     | 19         | 18                | <b>21</b>         |
|                            |  | Cost                | KRW       | 1,743,864  | 676,987           | <b>2,812,402</b>  |
|                            | Job competency training                | No. of participants | Persons   | 0          | 113               | <b>69</b>         |
|                            |  | Total hours         | Hours     | 0          | 1,696             | <b>1,063</b>      |
|                            |  | Cost                | KRW       | 0          | 9,182,810         | <b>10,191,510</b> |
|                            | On-the-job training                    | No. of participants | Persons   | 11         | 8                 | <b>8</b>          |
|                            |  | Total hours         | Hours     | 104        | 280               | <b>144</b>        |
|                            |  | Cost                | KRW       | 2,717,821  | 5,519,931         | <b>9,428,571</b>  |
|                            | Sexual harassment prevention education | No. of participants | Persons   | 211        | 216               | <b>220</b>        |
|                            |  | Total hours         | Hours     | 211        | 216               | <b>220</b>        |
|                            |  | Cost*               | KRW       | 0          | 0                 | <b>0</b>          |
| Safety and health training | No. of participants                    | Persons             | 75        | 216        | <b>220</b>        |                   |
|                            | Total hours                            | Hours               | 48        | 61         | <b>60</b>         |                   |
|                            | Cost*                                  | KRW                 | 0         | 0          | <b>0</b>          |                   |

| Category          |   | Unit                | 2021    | 2022 | 2023 |            |
|-------------------|---|---------------------|---------|------|------|------------|
| Employee training | Education for disability awareness            | No. of participants | Persons | 211  | 216  | <b>220</b> |
|                   |   | Total hours         | Hours   | 211  | 216  | <b>220</b> |
|                   |   | Cost*               | KRW     | 0    | 0    | <b>0</b>   |
|                   | Education for personal information protection | No. of participants | Persons | 211  | 216  | <b>220</b> |
|                   |   | Total hours         | Hours   | 211  | 216  | <b>220</b> |
|                   |   | Cost*               | KRW     | 0    | 0    | <b>0</b>   |

\* No additional cost because of using self-made materials and other in-house resources.

### Labor practice

| Category               |  | Unit  | 2021 | 2022 | 2023     |
|------------------------|--|-------|------|------|----------|
| Labor union            | Unionized rate                         | %     | 0    | 0    | <b>0</b> |
|                        | Labor-management council meetings      | Cases | 4    | 4    | <b>4</b> |
| Employee communication | Number of employee grievances reported | Cases | 0    | 2    | <b>0</b> |
|                        | Number of employee grievances handled  | Cases | 0    | 2    | <b>0</b> |

# ESG DATA

## Social

### Welfare benefits

|   | Unit        | 2021    | 2022  | 2023  |   |
|---|-------------|---------|-------|-------|---|
| Total annual welfare expenditures                               | KRW million | 2,229   | 2,951 | 3,056 |   |
| Average welfare expenditures per capita                         | KRW million | 10      | 13    | 13    |   |
| Number of parental leave users                                  | Male        | Persons | 1     | 0     | 2 |
|   | Female      | Persons | 7     | 7     | 7 |
|   | Subtotal    | Persons | 8     | 7     | 9 |
| Rate of employees returning to work after parental leave        | %           | 100     | 100   | 100   |   |
| Rate of employees working for 12 months after returning to work | %           | 100     | 100   | 100   |   |

### Safety and health

|                              | Category  | Unit                    | 2021   | 2022  | 2023 |      |
|------------------------------|---|-------------------------|--------|-------|------|------|
| Safety and health management | Number of risk factors identified at business sites | Number                  | 300    | 1,108 | 679  |      |
|                              | Improvement rate of risk factors                    | %                       | 83.0   | 91.3  | 77.0 |      |
|                              | Number of safety and health training                | Number                  | 29     | 59    | 52   |      |
|                              | Number of participants                              | Persons                 | 533    | 559   | 464  |      |
| Occupational accident        | Total fatal accidents                               | Employees               | Number | 0     | 0    | 0    |
|                              |   | Contractor and supplier | Number | 0     | 0    | 0    |
|                              | Number of occupational accidents                    | Employees               | Number | 0     | 0    | 0    |
|                              |   | Accident rate           | %      | 0.01  | 0.02 | 0.01 |
|                              | Contractor and supplier                             | Number                  | 4      | 5     | 3    |      |

### Supplier

| Category            | Unit   | 2021 | 2022 | 2023 |
|---------------------|--------|------|------|------|
| Number of suppliers | Number | 403  | 398  | 379  |

\* It only includes the number of suppliers from the Anseong Plant and Chungju Plant, except for the distribution networks (agency).

### Social contribution

| Category  | Unit        | 2021      | 2022  | 2023  |
|---|-------------|-----------|-------|-------|
| Spending on social contribution*                      | KRW million | 1,500     | 1,710 | 1,131 |
| Contribution to sales ratio                           | %           | 0.46      | 0.45  | 0.31  |
| Number of employees participating in volunteer work** | Persons     | No figure | 63    | 42    |
| Total volunteer hours**                               | Hours       | No figure | 95    | 63    |

\* The data includes indirect amount of spending to venture start-ups.

\*\* The data has been collected since 2022.

### Customer satisfaction

| Category                    | Unit   | 2021     | 2022 | 2023 |
|-----------------------------|--------|----------|------|------|
| Customer satisfaction*      | Score  | No score | 9.64 | 9.8  |
| Number of products recalled | Number | 0        | 0    | 1    |

\* Perfect score is 10. Since 2022, the way to measure customer satisfaction has changed.

# ESG DATA

## Social

### R&D

| Category                                 | Unit        | 2021  | 2022  | 2023  |
|--|-------------|-------|-------|-------|
| R&D expenditure                          | KRW million | 1,974 | 1,699 | 1,725 |
| R&D expenditure to sales ratio           | %           | 0.6   | 0.4   | 0.5   |
| Intellectual property right (registered) | Number      | 258   | 306   | 327   |
| Patent (registered)                      | Number      | 27    | 28    | 29    |
| Design                                   | Number      | 135   | 182   | 193   |
| Trademark (registered)                   | Number      | 96    | 96    | 105   |

### Information security

| Category  | Unit    | 2021 | 2022 | 2023 |
|---|---------|------|------|------|
| Number of employees who completed information security training               | Persons | 132  | 113  | 134  |
| Number of suppliers who completed information security training               | Persons | 0    | 0    | 0    |
| Number of information security breaches                                       | Number  | 0    | 0    | 0    |
| Number of breaches of customer personal information                           | Number  | 0    | 0    | 0    |
| Fines and penalties incurred by the violations of information protection laws | KRW     | 0    | 0    | 0    |

### Donations

| Category                                      | Unit | 2021        | 2022        | 2023       |
|---|------|-------------|-------------|------------|
| Total   | KRW  | 472,250,469 | 147,670,642 | 43,848,555 |
| Political contribution                        | KRW  | 0           | 0           | 0          |
| Donations to scholarship associations         | KRW  | 0           | 0           | 0          |
| Donations to associations                     | KRW  | 5,798,000   | 100,000,000 | 11,093,000 |
| Donations to federations                      | KRW  | 0           | 0           | 0          |
| Donations to the Red Cross                    | KRW  | 300,000,000 | 0           | 0          |
| Donations to foundations                      | KRW  | 155,000,000 | 42,302,000  | 0          |
| Donations to hospitals                        | KRW  | 0           | 13,667,000  | 0          |
| Donations to fundraisers                      | KRW  | 0           | 0           | 0          |
| Donations to community welfare centers        | KRW  | 0           | 0           | 0          |
| Donations to the Community Chest of Korea     | KRW  | 10,000,000  | 10,000,000  | 10,000,000 |
| Donations to non-profit private organization  | KRW  | 4,817,400   | 3,414,000   | 11,848,000 |
| Donations to public office (Songpa-gu Office) | KRW  | 0           | 0           | 15,000,000 |

# ESG DATA

## Governance

### Board of Director

| Major Index   |   | Unit        | 2021    | 2022    | 2023           |
|---------------|---|-------------|---------|---------|----------------|
| BOD diversity | Ratio of female directors                     | Persons (%) | 1 (14%) | 0 (0%)  | <b>0 (0%)</b>  |
|               | Ratio of directors having industry experience | Persons (%) | 5 (71%) | 3 (60%) | <b>3 (60%)</b> |
| BOD expertise | Ratio of directors having finance experience  | Persons (%) | 1 (14%) | 1 (20%) | <b>1 (20%)</b> |
|               | Ratio of outside directors in the board       | %           | 29%     | 40%     | <b>40%</b>     |

### BOD operation

| Category                               |         | Unit      | 2021      | 2022      | 2023            |
|--|---------|-----------|-----------|-----------|-----------------|
| Number of board meetings held          |         | Number    | 7         | 6         | <b>3</b>        |
| Number of BOD agenda items and reports |         | Number    | 13        | 14        | <b>7</b>        |
| Opinions by agenda                     | Accept  | Number(%) | 13 (100%) | 14 (100%) | <b>7 (100%)</b> |
|  | Reject  | Number(%) | 0 (0%)    | 0 (0%)    | <b>0 (0%)</b>   |
|  | Revise  | Number(%) | 0 (0%)    | 0 (0%)    | <b>0 (0%)</b>   |
|  | Abstain | Number(%) | 0 (0%)    | 0 (0%)    | <b>0 (0%)</b>   |
| ESG related agenda                     |         | Number    | 0         | 0         | <b>0</b>        |
| Attendance rate                        |         | %         | 94        | 84        | <b>93</b>       |

### BOD remuneration

| Category                  | Unit | Total amount | Average remuneration per capita |
|---------------------------|------|--------------|---------------------------------|
| Registered director       | KRW  | 932,645,000  | 186,529,000                     |
| Independent director      | KRW  | 0            | 0                               |
| Member of Audit Committee | KRW  | 286,462,500  | 95,487,500                      |

### Ethical management

| Category           |  | Unit    | 2021 | 2022 | 2023       |
|--------------------|--|---------|------|------|------------|
| Ethics report      | Number of reports                                  | Number  | 0    | 0    | <b>0</b>   |
|                    | Number of people who completed the ethics training | Persons | 180  | 182  | <b>174</b> |
| Participation rate |  | %       | 82   | 81   | <b>75</b>  |

### Compliance

| Category  | Unit   | 2021 | 2022 | 2023     |
|---|--------|------|------|----------|
| Number of violations of anti-trust and anti-competitive practices | Number | 0    | 0    | <b>0</b> |
| Fines and settlement money  | KRW    | 0    | 0    | <b>0</b> |

# GRI STANDARDS INDEX

## GRI 1 : Foundation

**Explanation** FURSYS reports data from January 1 to December. 31, 2023, based on a newly-revised GRI Standards 2021. The data until the first half of 2024 is reported for some important performance.

**Applied GRI 1** GRI1:Foundation 2021

**GRI Sector Standards available to be applied** as of the timing of disclosure, not available to use it  
 (The Sector Standard of the industry group where FURSYS belongs to was yet to be announced as of the issuance date of the report)

## GRI 2 : General Disclosures 2021

| Topic  | Index | Disclosure  | Page                 |
|--|-------|---|----------------------|
| The organization and its reporting practices | 2-1   | Detailed information about organization   | 7                    |
|  | 2-2   | Company list included in the Sustainability Report  | 2                    |
|  | 2-3   | Reporting period, frequency and an agent responsible for receiving inquiries about report | 2                    |
|  | 2-4   | Revision of information   | N/A (first issuance) |
|  | 2-5   | External assurance  | 79-80                |
| Activities and workers                       | 2-6   | Activity, value chain and other business relationship                                     | 14-16                |
|  | 2-7   | Employee  | 70                   |
|  | 2-8   | Workers except for executives and employees   | 70                   |
| Governance                                   | 2-9   | Structure and configuration of governance   | 56-57                |
|  | 2-10  | Appointment and designation of the highest governance body                                | 56                   |
|  | 2-11  | Chairman of the highest governance body   | 57                   |
|  | 2-12  | Role of the highest governance body who supervises impact management                      | 56-57                |
|  | 2-13  | Delegating a responsibility for impact management   | 56-59                |
|  | 2-14  | Role of the highest governance body related to sustainable management                     | 57                   |
|  | 2-15  | Conflict in interest  | 58                   |
|  | 2-16  | Communication on material interests   | 24, 57               |

| Topic                            | Index | Disclosure  | Page   |
|----------------------------------|-------|---|--|
| Governance                       | 2-17  | Collective knowledge of the highest governance body   | 56-57  |
|                                  | 2-18  | Performance evaluation of the highest governance body | 58   |
|                                  | 2-19  | Remuneration policy                                   | 58   |
|                                  | 2-20  | Procedure of determining remuneration                 | 58   |
|                                  | 2-21  | Annual ratio of total remuneration                    | 66   |
|                                  | 2-22  | Statement of sustainable development strategy         | 4-5  |
| Strategy, policies and practices | 2-23  | Policy promises                                       | 22-23  |
|                                  | 2-24  | Internalization of policy promises                    | 28-31, 32-33, 38-40, 41-42, 49-52, 53-55, 56-58, 60-61 |
|                                  | 2-25  | A process to address negative impacts                 | 48, 61   |
|                                  | 2-26  | Mechanism to raise interests and ask for advice       | 48   |
|                                  | 2-27  | Compliance  | 60-61  |
|                                  | 2-28  | Association membership                                | N/A  |
| Stakeholder engagement           | 2-29  | Approach for engagement of stakeholders               | 24   |
|                                  | 2-30  | Collective bargaining agreement                       | 48, 71   |

# GRI STANDARDS INDEX

## GRI 3 : Material Topics 2021

| Topic                       | Index | Disclosure                             | Page |
|-----------------------------|-------|--|------|
| Approach to material issues | 3-1   | Process of determining material issues | 25   |
|                             | 3-2   | List of material issues                | 26   |
|                             | 3-3   | Management of material issues          | 26   |

## Economic Performance (GRI 200)

| Topic                             | Index | Disclosure  | Page             |
|-----------------------------------|-------|---|------------------|
| GRI201: Economic Performance      | 201-1 | Creation and distribution of direct economic value  | 64-66            |
| GRI203: Indirect Economic Impacts | 203-1 | Investment on social infrastructures and service provision  | 53-55            |
| GRI205: Anti-corruption           | 205-1 | Risk assessment on corporate corruption   | 59-61            |
|                                   | 205-2 | Communication and training on anti-corruption policies and procedures                               | 61, 74           |
|                                   | 205-3 | Identified corruption cases and resulting actions   | 74               |
| GRI206: Anti-competitive behavior | 206-1 | Legal actions against unfair trading practices including anti-competitive practices, monopoly, etc. | 41-42, 60-61, 74 |

## Environmental Performance (GRI 300)

| Topic                       | Index | Disclosure  | Page      |
|-----------------------------|-------|---|-----------|
| GRI301: Materials           | 301-1 | Weight or volume of raw materials spent   | 66        |
|                             | 301-3 | Usage of recyclable products or packing materials                               | 37        |
| GRI302: Energy              | 302-1 | In-house energy consumption   | 32        |
|                             | 302-3 | Energy intensity  | 67        |
|                             | 302-4 | Reduction of energy consumption   | 32        |
| GRI303: Water and Effluents | 303-3 | Water-intake sources  | 34, 67    |
|                             | 303-4 | Amount of discharge   | 67        |
|                             | 303-5 | Amount of water consumption   | 34, 67    |
| GRI305: Emissions           | 305-1 | Amount of direct GHG emission (Scope1)  | N/A       |
|                             | 305-2 | Amount of indirect GHG emission (Scope2)  | 32, 66    |
|                             | 305-4 | Intensity of GHG emission   | 32, 66    |
|                             | 305-5 | Mitigation of GHG emission  | 32        |
|                             | 305-7 | The amount of nitrogen oxide (NOx), sulfur oxide (SOx) and other air pollutants | 69        |
| GRI306: Waste               | 306-2 | Management of waste impact  | 35        |
|                             | 306-3 | Amount of wastes  | 35, 68-69 |

# GRI STANDARDS INDEX

## Social Performance (GRI 400)

| Topic                                  | Index  | Disclosure  | Page      |
|--|--------|---|-----------|
| GRI401: Employment                     | 401-1  | New hire and turnover   | 70        |
|  | 401-2  | Benefits provided to permanent employees, except for temporary and part-time employees                | 43-47     |
|  | 401-3  | Parental leave  | 72        |
| GRI402: Labor/Management Relations     | 402-1  | Pre-notice on change in the internal policies due to business management                              | 48        |
|  | 403-1  | Safety and health management system   | 50        |
|  | 403-2  | Identification of risk factors, risk assessment, investigation  | 51        |
|  | 403-3  | Occupational health and safety-related services   | 52        |
| GRI403: Occupational Health and Safety | 403-4  | Employee engagement, consultation, and communication for occupational health and safety               | 49-52     |
|  | 403-5  | Employee training on occupational health and safety   | 52        |
|  | 403-6  | Health improvement of employees   | 47, 49-52 |
|  | 403-7  | Prevention and mitigation of the impact of occupational health and safety directly linked to business | 51-52     |
|  | 403-8  | Employees subject to occupational health and safety management systems                                | 49, 72    |
|  | 403-9  | Work-related injuries   | 72        |
|  | 403-10 | Work-related diseases   | 72        |

| Topic  | Index | Disclosure   | Page  |
|--|-------|--|-------|
| GRI404: Training and Education                           | 404-1 | Average training hour per employee   | 71    |
|  | 404-2 | Capacity-building and changeover supporting program for employees  | 44-45 |
|  | 404-3 | Regular performance evaluation and career development support  | 43-45 |
| GRI405: Diversity and Equal opportunity                  | 405-1 | Governance body and diversity of employees   | 70    |
| GRI406: Non-discrimination                               | 406-1 | Discrimination cases and related corrections   | 48    |
| GRI407: Freedom of Association and Collective Bargaining | 407-1 | Business sites and suppliers at risk of undermining the right to association and assembly and the right to collective bargaining | N/A   |
| GRI413: Local Communities                                | 413-1 | Operation of programs for local community engagement, impact assessment, and contribution to the local community                 | 53-55 |
| GRI416: Customer Health and Safety                       | 416-1 | Assessment of the impact of products and services on health and safety (product harmfulness)                                     | 36    |
|  | 416-2 | Violation cases regarding the impact of products and services on health and safety (product harmfulness)                         | N/A   |
| GRI417: Marketing and Labeling                           | 417-1 | Requirements for product and service-related information and labeling  | 38-39 |
|  | 417-2 | Violation of regulations regarding product and service-related information and labeling  | 72    |
|  | 417-3 | Violation of marketing communication-related regulations   | 72    |
| GRI418: Customer Privacy                                 | 418-1 | Complaints regarding the violation of customer personal information protection and identified data losses                        | 73    |

# SASB INDEX

Sustainability Accounting Standards Board (SASB) Standard is a sustainability accounting standard by industry issued by the US SASB, established in 2011. For the first time, SASB Standards systematized 77 industries from 11 sectors according to the Sustainable Industry Classification System (SICS) based on sustainability information with greater importance on the financial front, considering the characteristics of each industry. FURSYS is part of SASB “Building Products & Furnishing”, and the report covers major activities specified under SASB.

| Topic  | Code         | Accounting Metric  | Unit   | Page      | Remark                                    |
|--|--------------|--|--------|-----------|---|
| Energy management                              | CG-BF-130a.1 | 1) Total energy consumption  | TJ, %  | 32-33, 67 |   |
|  |              | 2) Ratio of grid electricity in total energy consumption   |        |           |   |
|  |              | 3) Ratio of renewable energy sourced in total energy consumption   |        |           |   |
| Chemicals management                           | CG-BF-250a.1 | Explanation about how to manage hazardous chemicals used in products   | n/a    | 36        |   |
|  | CG-BF-250a.2 | Sales ratio of products meeting the standard of VOC (volatile organic compounds) content   | %      | -         | Not disclosed due to management decisions |
| Environmental impact within product life cycle | CG-BF-410a.1 | Explanation about how to manage the impact on the environment within the product life cycle and produce sustainable products   | n/a    | 28, 36    |   |
|  | CG-BF-410a.2 | 1) Total amount of waste resources collected<br>2) Rati of collected waste resources being recycled and used in products   | ton, % | 35        |   |
| Lumber supply management                       | CG-BF-430a.1 | 1) Total amount of purchasing lumber and fiber raw materials,<br>2) Ratio of lumber purchased from forests qualified with a third-party certification for management against total,<br>3) Ratio by the third-party certification,<br>4) Ratio of lumber obtaining certifications related to wood fiber against total,<br>5) Ratio by the certification | ton, % | -         | Not disclosed due to management decisions |

# THIRD-PARTY ASSURANCE STATEMENT

Dear FURSYS Stakeholders

## Preface

Han Consulting Group (further 'the assurer') has been engaged by FURSYS to provide third-party assurance on the <FURSYS 2023 Sustainability Report> (further "Report") and hereby submits the following assurance statement. This assurance statement applies only to the relevant information included in the scope of our assurance engagement. FURSYS is solely responsible for all information and assertions contained in the Report. Our responsibility is to provide an independent assurance opinion, based on our application of the assurance methodology to the stated scope, to FURSYS management, and to make the information available to all of FURSYS stakeholders.

## Assurance Standard and Assurance Level

The assurance engagement was conducted in accordance with the Assurance Standard (AS) AA1000 v3 (2020) and confirms that the Report is reported in accordance with the GRI Standards, the international standard guidelines for sustainability reporting. The assurance engagement was conducted as a Moderate Level assurance engagement in accordance with the AA1000 AS, Type 1, which confirms compliance with the four principles of the AA1000 AP (AccountAbility Principles) 2018.

## Assurance Scope

The scope of the assurance engagement was applied to verify the report's compliance with the reporting requirements of the GRI Standards 2021 and is described below.

- The report covers the period from January 1, 2023 to December 31, 2023, with some data for the first half of 2024 Includes activities through the first half of 2024
- The material claims made in the report, including our sustainability policy, strategy, goals, business, and performance, and the material issues identified in our materiality assessment.
- The scope of our assurance included verifying that the reporting requirements of the GRI Standards 2021 are met.

We verified that the material topics identified through the dual materiality assessment process were

- Reporting in accordance with the GRI Standards 2021 Principles (Reporting in accordance with the GRI Standards)
- Universal Standards  
2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)
- Separate Sector Standards do not apply
- Topic Standards  
201-1, 203-1, 205-1, 205-2, 205-3, 206-1, 301-1, 301-3, 302-1, 302-3, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-4, 305-5, 305-7, 306-2, 306-3, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 406-1, 407-1, 413-1, 416-1, 416-2, 417-1, 417-2, 417-3, 418-1,

## Verification Method

In accordance with the Assurance Standard, we performed the following assurance engagements against the agreed scope of the assurance engagement

- An overall review of the content of the report
- Reviewed and confirmed the appropriateness of the materiality assessment and internal analysis process for prioritizing the assurance engagement
- Interviews with those responsible for the preparation of the report
- Verified the process for generating, collecting, and reporting data for each performance area.

## Assurance Limitations

Our assurance engagement was based on the assumption that the data and information provided by FURSYS is complete and sufficient. The data assurance engagement was limited in scope and based on data and materials provided by FURSYS. The assurance engagement does not provide assurance on possible future impacts and additional aspects that could not be predicted or verified during the assurance engagement.

# THIRD-PARTY ASSURANCE STATEMENT

## Findings and Opinion

Based on the results of our document review and interviews, we discussed revisions to the report with FURSYS on several occasions and reviewed the final version of the report to ensure that our revisions and recommendations were incorporated. Based on our assurance engagement, nothing has come to our attention that, in our opinion, is material and causes us to believe that the information and data in FURSYS report is misstated. In our opinion, the report is reported in accordance with the GRI Standards and our assurance opinion on the four principles set out in the AA1000 AP (2018) is as follows.

## AA1000 AP Four Principles

### Inclusiveness: Stakeholder engagement and input

FURSYS key stakeholders include employees, customers, shareholders and investors, suppliers, and NGOs/communities. FURSYS stakeholder engagement process includes communication channels for each stakeholder group to gather expectations and diverse opinions from each key stakeholder group, and the key issues identified are reflected in decision-making related to sustainability, and the process is disclosed in the report.

### Materiality: Identification and reporting of material sustainability topics

FURSYS has established a strategy for sustainability management and a process for identifying issues for reporting. We identified financial, social, and environmental impacts based on media research analysis, benchmarking of global leading companies, and analysis of major global initiatives related to sustainability. We identified business impacts by reviewing frameworks, laws, and industry trends to reflect external initiatives related to sustainability and ESG. We identified eight material topics and disclosed the process in our report.

### Responsiveness: Responding to material sustainability topics and related impacts

We have established a management process for the material topics determined by the materiality assessment. In order to respond appropriately in a way that reflects the expectations of our stakeholders, we disclose our policies on the material topics, the status of the implementation of the tasks, and the results of the response, including the performance of activities and improvement plans, through reports.

### Impact: The impact of the organization's activities and material sustainability topics on the organization and its stakeholders.

FURSYS has established a process to identify and assess the impacts on the organization and stakeholders related to the material topics. The results of the analysis of impacts, risks, and opportunities for the material topics are used to inform decision-making for the development of response strategies for each topic, and the process is disclosed in the report. The assurance team did not identify any material issues that were missed in this process.

## Independence and Qualifications

HAN Consulting Group Ltd. is an independent professional organization with expertise in the field of management systems, including quality, environment, health and safety, energy and anti-corruption, and compliance, and has provided certification and assurance services. The verifier does not have any business relationship with FURSYS, performed the verification independently, and has no conflict of interest. The verification team that performed this verification consisted of AA1000AS verification auditors with long experience in management system fields such as environment, health and safety, and sustainability fields such as social and business ethics, and excellent understanding of HAN Consulting Group's verification standard methodology.

June 6, 2024  
Seoul, South Korea

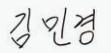


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(주) 한권실링그룹  
Han Consulting Group Ltd.

  
CEO **Seung Yong Lee**

  
Assurance Team Leader **Min Kyung Kim**

# MAJOR AWARDS

## Major awards

| Date          | Category            | Content  | Awarding Body  |
|---------------|---------------------|--|--|
| Apr. 1, 2020  | Social contribution | Citation from the 2020 Warm Winter Project       | Seoul Community Chest of Korea   |
| Oct. 28, 2020 | Certificate         | 2020 Korean Best Reader Company                  | Minister of Culture, Sports and Tourism                                      |
| Nov. 4, 2020  | Product             | PIN UP BEST 100- FP7                             | KAID   |
| Nov. 4, 2020  | Product             | PIN UP BEST OF BEST-Smart locker                 | KAID   |
| Nov. 4, 2020  | Product             | PIN UP BEST 100- FP7                             | KAID   |
| Nov. 4, 2020  | Product             | BEST OF BEST-Smart locker                        | KAID   |
| Nov. 19, 2020 | Product             | Excellent Industrial Design Product-Smart locker | Ministry of Trade, Industry and Energy, KIDP                                 |
| Oct. 1, 2020  | Product             | Japan Good Design Award-Smart locker             | Japanese judging committee for GD  |
| Dec. 16, 2020 | Social contribution | Donation to local communities                    | Pyeongtaek City, Pyeongtaek social welfare council, Community Chest of Korea |
| Nov. 19, 2020 | Product             | Excellent Industrial Design Product-COTI         | Ministry of Trade, Industry and Energy, KIDP                                 |
| Nov. 19, 2020 | Product             | Excellent Industrial Design Product-FP7          | Ministry of Trade, Industry and Energy, KIDP                                 |

| Date          | Category            | Content   | Awarding Body   |
|---------------|---------------------|---|---|
| Mar. 8, 2021  | Social contribution | Certification of a member of "Sharing Corps"  | Community Chest of Korea                              |
| Sep. 14, 2020 | Product             | Gold Prize at the UD Life Style Contest in Seoul City - PLAYWORKS                             | Seoul Design Foundation                               |
| Oct. 19, 2021 | Product             | PIN UP BEST100- SYSTEMBOOTH   | KAID  |
| Oct. 19, 2021 | Product             | PIN UP BEST100-AERIE  | KAID  |
| Oct. 19, 2021 | Product             | PIN UP BEST OF BEST- TEPUI  | KAID  |
| Oct. 19, 2021 | Product             | PIN UP FINALIST-PLAD  | KAID  |
| Jan. 2022     | Business management | Korcham Honor's Member  | Seoul Chamber of Commerce & Industry                  |
| Oct. 27, 2022 | Business management | Top Honor from Korean Red Cross   | Korean Red Cross                                      |
| Apr. 1, 2023  | Business management | Appointment of guidance commissioner at the Patriot Maeheun Yun Bong-Gil Memorial Association | The Patriot Maeheun Yun Bong-Gil Memorial Association |
| Nov. 15, 2023 | Business management | 2023 Korean Best Reader Company   | Ministry of Culture, Sports and Tourism               |

# MAJOR AWARDS

## Major awards regarding product design

| Year | Product         | Design Award  |
|------|-----------------|---|
| 2009 | ITIS3           |  INTERNATIONAL DESIGN EXCELLENCE AWARDS<br>IDEA  |
| 2017 | enAble          |  iF Design Award                                 |
| 2017 | enAble          |  Red dot Design Award                            |
| 2017 | enable & enLite |  INTERNATIONAL DESIGN EXCELLENCE AWARDS<br>IDEA |
| 2019 | PLAYWORKS       |  iF Design Award                               |
| 2019 | PLAYWORKS       |  Red dot Design Award                          |

| Year | Product                     | Design Award   |
|------|-----------------------------|--|
| 2019 | PLAYWORKS                   |  INTERNATIONAL DESIGN EXCELLENCE AWARDS<br>IDEA   |
| 2022 | WEYARD, SYSTEM BOOTH        |  iF Design Award                                  |
| 2022 | WEYARD, SYSTEM BOOTH, AERIE |  Red dot Design Award                             |
| 2022 | WEYARD, SYSTEM BOOTH        |  INTERNATIONAL DESIGN EXCELLENCE AWARDS<br>IDEA  |
| 2023 | TIKA                        |  iF Design Award                                |
| 2023 | TIKA                        |  INTERNATIONAL DESIGN EXCELLENCE AWARDS<br>IDEA |



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